Daily Report

Latin America

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FBIS-LAT-91-093 *14 May 1991*

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NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An • indicates material not disseminated in electronic form.

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Cuba

Deputy Foreign Minister on Cuba's Position

AU1305090791 Budapest NEPSZABADSAG in Hungarian 6 May 91 p 6

[Interview with Deputy Foreign Minister Ramon Sanchez Parodi, by Gabor Horvath, in Havana; date not given: "Cuba Holds Out"—first paragraph is NEPSZABADSAG introduction]

[Text] Ramon Sanchez Parodi is not yet 50, but he has been engaged in foreign politics for 32 years. Previously, the diplomat led Cuba's interest representation office in Washington for 12 years. At the beginning of the interview he apologized for the two month delay, but he had to take part in agricultural work, which is compulsory for all Cuban public employees. Our Havana correspondent held the conversation with Sanchez Parodi in the capital of Cuba.

[Horvath] The world has changed tremendously in the last few years and Cuba has lost its former East European allies. How does your country's foreign policy react to the changed situation?

[Parodi] Our aim is to maintain our policy's basic directions. One of the previous main directions was our relations with East European socialist countries. These countries have changed, thus we cannot continue the same foreign policy either. As for the other regions, we are maintaining our previous policy. We are trying to adjust to the changes in the world while remaining faithful to our basic principles.

[Horvath] Why do you think Cuba was left on its own in the Security Council [SC] regarding its opinion about the Gulf war, and later about the conditions for the cease-fire?

[Parodi] Cuba took its standpoint on principle, not only for ideological and political reasons, but also in the interest of all the peoples of the world. We advocated the integrity and sovereignty of all countries, regardless of their size, economic power, or political set-up. Moreover, we insist on the principle that international conflicts be settled peacefully. From being an organization for the preservation of peace, the SC turned into a tool for war during the Gulf war. The war did not benefit anybody. It did not solve the basic conflict, and its consequences are unpredictable for the time being. On this basis I can state that our standpoint coincided with the interests of the international community.

[Horvath] How do you explain the attitude of the Soviet Union and China, countries with vetoing rights, or that of independent India, in the SC? Why did they agree with the U. S. point of view?

[Parodi] I do not know. At any rate, they did not express their pleasure over the events. International pressure, mainly from the United States, indisputably influenced the events. The solution of the conflict by military means served the interests of the U. S. Government. I am not saying that the aforementioned countries also yielded to Washington's pressure, but the United States managed to carry out its will.

[Horvath] In the Soviet Union, relations with Cuba are the subject of internal political fighting. What will Cuba do if the group that prevails is the one which does not want to maintain the present level of relations with Cuba?

[Parodi] We have to get to the river before we can cross the bridge. We will see how things progress.

[Horvath] What does Cuba expect from Western Europe?

[Parodi] During the 32 years of our revolution, we have had what we can call normal political, diplomatic, and economic relations with West European countries, including NATO member states. I do not claim that these relations are developing satisfactorily in all areas; for example, much could be done to improve the area of economics. This is not only Cuba's problem, but the problem of many other developing countries too. We would all like to ensure that Western Europe contributes more to the development of the Third World. This is probably the most urgent among the questions to be solved. We primarily expect the European Economic Community's countries—and other countries too—to widen their relations, and to make the conditions of trade and finance more just.

[Horvath] We, Europeans have almost forgotten the Cold War era. At the same time, a—fortunately mainly rhetorical—conflict is still very much alive today between the United States and Cuba. What could the first sign of a thaw between the two neighboring countries be, and who should take the first step?

[Parodi] A Cold War attitude has characterized U. S. policy toward Cuba since the beginning of our revolution. It is a common belief in Europe that the Cold War has ended, but it continues to exist in Cuba's case because of the U. S. attitude, bent on seeking confrontations. This policy is the embodiment of anachronism. I am not only talking about the fact that a superpower would like to oppress its small neighbor and restore its status as protectorate, but it is also a completely out-of-date political concept. Furthermore, this policy has become institutionalized. In the United States, laws ordain that an antagonistic attitude has to be shown toward Cuba. In these circumstances it is hard indeed to imagine that relations will be normalized although, according to Cuban opinions, it could be done on the basis of mutual respect, sovereignty, territorial integrity and, last but not least, mutual advantage. This is how we envisage the improvement of relations, while the United States makes the settling of relations dependent on internal political changes in Cuba. This is unacceptable for us, because it does not respect our sovereignty or our independence.

[Horvath] What about Cuba's relations with Latin America; could this area counterbalance Cuba's losses in Eastern Europe?

[Parodi] Our official relations on a governmental level are developing very favorably, not only with the economically strongest countries like Brazil, Mexico, or Argentina for example, but also with the small states and countries of the Caribbean. We recently restored diplomatic relations with Jamaica, and a governmental delegation was present at the new Haitian president's inauguration. We also participated as observers at the conference of the Organization for Caribbean Economic Cooperation. It has happened several times at international forums that Latin American countries have prevented the acceptance of anti-Cuban documents. For example, at the UN conference on human rights in Geneva, the only countries that did not oppose the U.S. draft resolution were Argentina and Panama. Our position is good in this area, and it is growing stronger.

[Horvath] Could this compensate for the loss of your former socialist allies, though?

[Parodi] Potentially yes, because the Latin-American market is bigger than that of the former socialist countries of Eastern Europe. At the same time, this area's economic cooperation is not well developed yet. Integration is still in the making. In contrast, 30 years of systematically developed relations connected us with Eastern Europe. It will take more than a day or two to transfer these relations to Latin America.

[Horvath] Can you see any elements in Cuban-Hungarian relations, which were developed over 30 years, that would deserve to be maintained in this new situation?

[Parodi] In some respect, we can say that the situation that has developed is temporary. New and different kinds of relations will take the place of the old types of relations. Here, we are talking about all aspects of the market, namely competitiveness, supply, prices, quality, and so on. We have to examine which elements of our relations could be maintained in a form that is advantageous to both parties.

[Horvath] What will happen to Cuba's debts? Cuba owes Hungary 190 million rubles, for example, or an equivalent amount in hard currency.

[Parodi] We will have to renegotiate these issues, and we will have to find a means of creating such economic conditions that would facilitate the solution of this problem. This is a problem not only for Cuba and Hungary; it is a world phenomenon. We have to learn to live with the debt crisis. Most countries in the world have debts, and also have money owed to them at the same time. This is a new trait of international relations, which was an exception 20 years ago, but which is common today. We have to negotiate on these problems.

[Horvath] In other words, is Cuba willing to negotiate its debts with Hungary?

[Parodi] We always negotiate our debts with everybody. The problem is how we can solve these practical problems. On a world scale, debts will probably remain irrecoverable and unserviceable. Today, everyone treats this as an accepted fact. The suggestion that we made 10 years ago, and which was considered to be a very radical standpoint, has become a generally accepted view.

Caricom

Foreign Policy Coordination Meeting Held

FL1405015691 Bridgetown CANA in English 1912 GMT 13 May 91

[Text] Bridgetown, Barbados, May 13, CANA—The Caribbean Community (Caricom) annual foreign policy coordination meeting opened here Monday with calls for member states to strengthen their sovereignty by pursuing more common policies and actions. Roderick Rainford told the 17th meeting of the Caricom standing committee of foreign ministers at the Dover Convention Centre here.

'The issue before us now, rather than loss of sovereignty, is one of better exercise of sovereignty through common arrangements,' Rainford said. Addresses at the session identified globalisation of markets, the environment issues, and illicit drugs, among matters adding new dimensions to the work of the foreign services. The two-day meeting, chaired by Barbados Foreign Minister Maurice King, is considering other areas of possible joint policy or action.

'The international community is confronted by phenomena which more than ever defy solution by any one country or ... group of countries. These major problems require regional and international cooperative action,' the Barbados minister said.

King, citing the trend towards larger groupings in Europe, U.S., Canada, Mexico, and the Pacific, raised the prospect of further Caricom marginalisation as the region clings to an 'illusion of national sovereignty.'

King suggested a 'greater sense of urgency' in foreign policy coordination, saying that despite 'relative success,' the full potential is yet to be achieved.

'We are all guilty of pursuing separate and independent foreign policies in areas where our national and collective interests would be better served through a coordinated approach.' He said the ministers could give new impetus to previous 'limited' use of joint representation, to rationalisation of Caricom representation worldwide, and to sharing facilities in international organisations and centres.

Outgoing chairman, Vincentian foreign minister, Jonathan Peters, commended Caricom's support for the democratic process in Haiti and Suriname, progress on a Common

External Tariff (CET), regional stock trading, and secretariat efforts to secure joint representation at the 1992 United Nations conference on the environment.

But he observed a wider lack of progress in harmonising policies and in joint representation and sharing of facilities: 'events on the international scene have threatened to overwhelm us unless we get our acts together. Too often we react after the fact. We need to act decisively, and in concert, to confront the challenges ahead,' he said.

Jamaica's foreign minister, David Coore, agreeing that Caricom has been 'moving forward in various ways,' said changes in Europe and elsewhere do not 'bode well' for small states and there was a need for common action to cope. 'All of these matters are not things that we can postpone. They are urgent, immediate issues with which we have to deal...We will not, obviously, solve them all at this one meeting but clearly we have to begin to focus on them with a much greater intensity than perhaps we would have done in the past,' Coore said.

According to Rainford, the continuing effort to convert separate efforts to deal with the outside world into a common effort is becoming 'an even more compelling necessity.' The ministers should seek to sustain and build on the momentum achieved in such areas as the agreement to deal with the U.S. Enterprise of the Americas Initiative on a coordinated Caricom basis, he said.

'... Every recent statement by the leaders of the region about the new world unfolding around us has expressed fear of marginalisation unless our states act jointly and decisively towards well-defined and agreed goals in the wider world. 'The ministers will be aware that this will come about only if we concretise the structures not only for effective and authoritative decision-making, but also for joint or coordinated representation beyond the boundaries of Caricom,' Rainford said.

Further on Meeting

FL1405143891 Bonaire Trans World Radio in English 1130 GMT 14 May 91

[Text] Caricom [Caribbean Common Market] foreign ministers are meeting in Bridgetown, Barbados to discuss better coordination of the region's foreign policy. Yesterday, outgoing foreign ministers' committee chairman Jonathan Peters of St. Vincent and the Grenadines stressed the need for Caricom to adopt a united approach to changes around the world especially as regards Eastern Europe. Incoming committee chairman Foreign Minister Maurice King of Barbados predicted that the 1990's will be seeing cooperation among the nations which will, in his words, make the concept of a global village a reality.

Ties With Cuba, Haiti, Suriname Explored

FL1005131591 Bonaire Trans World Radio in English 1130 GMT 10 May 91

[Text] Foreign ministers from the Caribbean Community are to discuss relations with Cuba, Haiti, and Suriname at their meeting in Barbados next week. A Caricom [Caribbean Common Market] team visited Cuba recently at the invitation of the Havana government, exploring closer cooperation between Caricom and Cuba. The leader of the group said the trip was positive.

Inter-Caribbean Affairs

St. Lucia Opposition Outlines Unification Plan

FL1005225991 Bridgetown CANA in English 2152 GMT 10 May 91

[Text] Castries, St Lucia, May 10, CANA—The opposition St Lucia Labour Party (SLP), which has shunned sittings of the constituent assembly on Windwards political union, has made its own proposals for deeper integration in the Organisation of Eastern Caribbean States (OECS). Party leader Julian Hunte said the SLP considered its proposals "to be more responsive to the expressed needs and desires of the people of our countries."

The SLP earlier said it would urge its supporters to vote against a proposed political union of Dominica, Grenada, St Lucia and St Vincent and the Grenadines, and instead support the deepening of the wider Caribbean Community (Caricom) integration process.

An SLP document released here with its current proposals on OECS unity said the party would support legislation in each OECS country to "establish an OECS community giving expression to the will of the people for closer economic, cultural, social and functional co-operation."

The legislation would provide also for an OECS commission empowered to propose legislation, an OECS community council of ministers, and an OECS community court of justice as supreme court of the community, the party said.

An OECS parliament would debate proposals by the commission and advise both the commission and the council. The parliament would have the power to expel the entire commission by a two-thirds majority, the party added.

The party said it wants OECS heads of government to place the proposals on the agenda of their next summit, in Grenada, later this year. "We have presented an alternative way forward, an alternative form, which responds to the aspirations of our peoples for closer co-operation, but which also recognizes the genuine concerns and reservations of our people about proceeding with the political integration of the Windward Islands," the party said. The SLP said that it was confident its proposals could gain the support of the Windward Islands and the wider OECS.

OECS members Antigua and Barbuda, and St Kitts and Nevis have already indicated that they have no intention of joining a sub-regional political union. The OECS groups the islands of Antigua and Barbuda, Dominica,

Grenada, St Lucia, St Kitts-Nevis, St Vincent and the Grenadines, and Montserrat.

Sandiford Appeals for More Assistance for Guyana

FL1305150491 Bridgetown CANA in English 1456 GMT 12 May 91

[Text] Bridgetown, Barbados, May 12 CANA—Barbados Prime Minister Erskine Sandiford has made a strong appeal to the international donor community to increase the level of support being given to Guyana to stabilize and turn around its economy, a government release said here. Speaking at a meeting of the advisory committee of the Caribbean Group for Co-Operation in Economic Development in Merida, Mexico, on Friday, Sandiford said "the multi-lateral agencies and donor countries have made sympathetic efforts in support of Guyana, but these efforts must be increased, now."

He said that the problem was not only one for Guyana, but the wider Caribbean as well since Guyana owes more than 100 million dollars to a collapsed trade payments facility which in turn owes Barbados.

"The foreign reserves of Barbados are under very severe pressure at this time," said Sandiford. "At the same time, a considerable portion of those reserves are tied up and illiquid in the Caribbean multi-lateral clearing facility, which has been suspended since 1982."

He added: "Guyana owes the facility, and the facility owes Barbados. It would be a pity if Barbados were forced to take further defensive action at this time to protect its balance of payments. This would have a very adverse effect on intra-Caribbean trade since Barbados is a major market for Caricom goods and services."

Sandiford therefore urged the donor community to take into account Guyana's indebtedness to the multi-lateral clearing facility urgently, as part of an increased flow of resources to that country. Several Caribbean, Latin American, and European countries, as well as a number of international and United Nations agencies were represented at the meeting.

Sugar Producers Express Anxiety About Future

FL1305153591 Bridgetown CANA in English 1617 GMT 12 May 91

[Text] Bridgetown, Barbados, May 12, CANA—Commonwealth Caribbean sugar producers have supported the objectives of increased access to the European Community (EC), and other measures to offset further decline in EC sugar prices and the limited compensation anticipated.

Producers expressed "anxiety" about sugar's future in light of decreasing income levels from exports of the commodity to the Community through the sugar protocol, according to a statement following the 106th meeting of the Sugar Association of the Caribbean (SAC) board of directors here last week. The meeting May 9-10 emphasised the foreign exchange earnings and other benefits of sugar in the region, and the need at the political and commercial levels to encourage investment to strengthen the industries to supply existing preferential and regional markets.

Concerns of African, Caribbean, and Pacific (ACP) sugar exporters to Europe's preferential market focus on European member states rejection of a 30 million ECU (approximately U.S. 33 million dollars) three-year compensation package and the current price review. The package was intended to offset adverse effects of a 1985-89 price freeze and a 2 per cent reduction in 1989-90.

A price freeze for 1990-91 and an anticipated final reduction of 2 or 3 per cent for beet sugar producers mean "the earnings prospects for SAC sugar producers.... have deteriorated still further," the statement said.

The SAC members supported continuing efforts by ACP ambassadors to press the European Commission for the payment of the 30 million package and supported efforts for negotiation of "special measures" of assistance to ACP sugar producing states.

"The meeting stressed that while compensation can in no way be a substitute for a properly negotiated and adequate level of guaranteed price, it is a step in the right direction.

"At the same time it was recognised by SAC members that because of EC budgetary problems accentuated by the reunification of Germany, the pressures arising from GATT, and the recognition by the EC of environmental and consumer interests, further reductions in the EC sugar price were likely in future years," the statement added.

The meeting recognised that whatever compensation package might be negotiated would be inadequate to fully compensate for the effects of price freeze and price reduction and therefore supported the objective of pressing for increased access for ACP sugar.

ILO Director on Regional 'Social Debt'

FL1305185591 Bridgetown CANA in English 1721 GMT 13 May 91

[Text] Port-of-Spain, Trinidad, May 13, CANA—The major challenge facing Caribbean countries is striking an "acceptable balance" between the level of resources needed for social stability and repaying external debt, director-general of the International Labour Organisation (ILO) Mary Chinery-Hesse, said here on Monday. She noted that during periods of structural adjustments, there are substantial increases in unemployment and underemployment, deterioration in real wages, and generally a decline in labour income which she termed "social debt."

She said the concept of "social debt" was developed because of excessive concentration of the costs of the economic crisis on poor workers during adjustment period.

"In other words, the countries in the region must make, on one hand, significant progress towards achieving the desired productive transformantion of their economies since there is consensus that this is the most appropriate framework for the resumption of the path of development and on the other hand, they must do so from a perspective of greater social equity," said Chinery-Hesse.

She was speaking during the opening of the ILO Caribbean "round table" on structural adjustment and employment issues, she said the end result of the adjustment should be "the reconciliation of growth, employment, and equity objectives."

Chinery-Hesse said there was a clear indication that specific structural adjustment measures had become an integral part of the development policies in several Caribbean countries. She said this was revealed when Caribbean Community heads of government met in Nassau, Bahamas in the mid 1980's.

"At that time, there was an acceptance of the necessity for adjustment to the crisis in order to stimulate economic recovery and future growth, but there was also a realisation that following the experience in other parts of the region, meaningful adjustment is painful and can be difficult to manage if it reduced the standard of living of the majority of social groups."

Some of these countries, she said have incurred an increase in their social debt which will continue for the remainder of the decade. The two day meeting of delegates from Caribbean countries will facilitate the exchange of views and experiences in relation to structural adjustment and employment issues. It will explore future policy guidelines based on the discussion of case studies on Jamaica, Suriname, and Trinidad and Tobago.

Chinery-Hesse said valuable lessons have been learnt about the structural adjustment process. The first lesson, she said was that structural adjustment "is not an end in itself," but should strictly be perceived as a means to more permanently improve the quality of life of the human being. "The indicators for assessment of its success should therefore ultimately be related to human well-being," she noted.

Another lesson, is that the dignity of the human being is reinforced only when he is engaged in gainful productive employment. The third lesson, said the director-general is that development strategy which neglects employment issues is "likely to crash." She said that sustainable development cannot be realised without the full participation of all sections of the society.

Bahamas

Union Allegations of Layoffs Explained

FL1105124091 Nassau Bahamas Radio Network in English 1700 GMT 10 May 91

[Text] Statements made earlier this week by president of the Bahamas Hotel Managerial Association, Mr. O.B. Ferguson, that some 58 employees have been terminated from Windham Ambassador Beach Hotel are said to be untrue. General manager of the hotel, Mr. Stephen Sawyer, said only three workers were made redundant. However, Mr. Sawyer did say that 18 additional letters were being sent out.

Mr. Sawyer said since January a total of only 39 employees of the Windham Ambassador Beach Hotel have lost their jobs.

Dominican Republic

Labor Federation Expresses Solidarity With Cuba

FL1305123391 Havana Tele Rebelde Network in Spanish 1200 GMT 13 May 91

[Text] The recently created Confederation of Unitary Workers [Confederacion de Trabajadores Unitarios] of the Dominican Republic has expressed its solidarity with the Cuban revolution. The constituent congress of this labor organization approved a resolution of support for Cuba in which it supports the decision of the Cuban workers and people to have the kind of government and social model they think best.

The delegation of the Cuban Workers Federation [CTC] to this event was headed by Ramon Cardona, a member of the CTC Secretariat, who held productive talks with Dominican leaders of various organizations and varied political tendencies. Attending the congress were 2,300 delegates representing 57 regional, provincial, and national federations and 300 local unions, which are members of the new Confederation of Unitary Workers.

Balaguer Cancels Travel; Remains in Office

FL1005194791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 10 May 91

[Text] The constitutional president of the Republic is not planning to travel to the interior of the country over this coming weekend, according to a palace source. Dr. Joaquin Balaguer has deferred his weekly trip to the provinces in order to attend to state affairs at his central office.

Extra-official reports had suggested a possible presidential trip to the southwestern region of the country where the construction of an important highway has been completed. The road from Barahona to Pedernales will be inaugurated during protocol activities but there was no confirmation of a presidential trip.

Early this morning Government House reported that President Balaguer would not travel to the provinces and that the president would attend to priority matters at his office.

Commentary Criticizes Opposition's Actions

FL1005203791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 10 May 91

[Station editorial: "A Dangerous Road"]

[Text] A wrong way, a tortuous road, a mistaken course that can lead to undesirable destinations of painful confrontation and deadly tolls are the ones specific opposition sectors are taking. We are referring to the constant reckless remarks, to the permanent call being made by a certain party which is wrongfully playing with respect for the Constitution and civil order.

Sensible people in all spheres are surprised by the actions of an alleged national leader whose wish to attain public power takes him every day to produce empty remarks, to make calls that conspire against national peace. It appears as though the constitutional government in power, or better said, the executive power pays little attention to this divisive work that is being carried out by the opposition sector because the government knows that the conspiracy is not finding support.

This explains that each morning the public finds these unruly individuals asking the people to take to the streets and not recognize the legitimate authority. This explains why the independent media barely report the antagonizing attempts of the frustrated leaders. Nevertheless, it is not advisable for defeated politicians to continue with this probing, untimely, defiant activist situation.

The state's substantive charter, on one hand, and half a dozen of adjectival laws, on the other, clearly establish the public actions to take when the constitutional order is threatened. There are many sensible people, many capable leaders, many high-level religious leaders who are beginning to see with concern the permanent challenges those opposition leaders carelessly make. The call for the people to take to the streets, to denounce the legitimate powers as illegal, promote chaos, and instigate civil rebellion, are crimes that are specifically addressed by the codes in force.

It has to be clearly warned, it has to be properly expressed, it has to be plainly and precisely noted that the way of challenges, the tortuous road of plots and hatred, are not recommended for the people who are living with the hope of a period of accomplishments and achievements. The radical sector, without sponsors, without reputation, and without support, has chosen a dangerous road.

Haiti

Press on Aristide Interview on First 3 Months

FL1305212391 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 13 May 91

["Excerpt" from the weekly press review]

[Text] Two words can summarize all the magazine articles published this week: communication problems. There have been communication problems between Radio Haiti Inter management and personnel; communication problems between the president of the country and several social categories; communication problems between civilians and military men. Either there is no communication at all, or else it is ineffective so that messages are not properly received. The result is that society is functioning badly.

The first article in the HAITI EN MARCHE magazine this week was an interview with President Jean-Bertrand Aristide by correspondent Jean-Michel Kawas, assessing the government's first three months in office, and discussing its goals for the future. In this interview, we find statements on the local oligarchy, Americans, Parliament, economic policy, and other topics. The president also clarified the confusion that existed for a time between the FNCD [National Front for Change and Democracy] and the Avalanche Government.

According to the president, regarding the formation of a presidential political party, Father Aristide explained that the FNCD was a legal hat that allowed him to run in the elections, but that it had never been a major political party. If he were to speak of an important presidential party, it would be the Avalanche. He explained that work is now being done to structure the Avalanche [Lavalas] organization that succeeded in operating the Avalanche Movement, and that FNCD can find a place within the scope of the structuring as well as other political parties.

People Protest Governmental Appointments

FL1305201591 Port-au-Prince Radio Metropole in French 1600 GMT 10 May 91

[Excerpts] Government appointments of certain departmental delegates have provoked protests in provinces where the choices are considered at odds with the people's preferences. More details from Jean-Max Siprien:

[Begin recording] [Siprien] Provinces continue to protest what they call the Aristide-Preval government deviation from political direction in its appointment of departmental delegates. This time, the inhabitants of Mole Saint Nicolas dispute the choice of Gilbert Saint-Fort as vice delegate for their department. Representatives of the Mole Workers Organization said they find the choice of vice delegate inappropriate, as he is unknown to the inhabitants of the zone.

The news of his arrival was not well received by the population, who blocked his reception activities. The vice delegate Gilbert Saint-Fort was prohibited from entering the city, and was forced to take refuge in a military barracks not far from there to wait until he could return to his home.

Based on the allegations of more than five organizations from the Mole, Mr. Gilbert, who had to avoid even the road to Mole St. Nicolas, is safe in the barracks where he is taking refuge from the peoples' anger. This anger is in reaction to Gilbert's appointment, which was not in conformity with the peoples' objectives, aspirations, or expectations. This information was conveyed to the president by more than five organizations and people's groups, and representatives of this district. [passage omitted].

The inhabitants of the Mole are not the only ones protesting. In the lower part of Artibonite, the choice of another vice delegate has been poorly received, at least from the standpoint of some regional organizations, according to our correspondent in the zone. [passage omitted].

The same situation exists in Gonaives, where the people object to the delegate's dual nationality. It is significant to note that this general outcry from provincial organizations against departmental delegates completes a flurry of protestss which occurred in several other cities in the province. In Cap-Haitien, there have also been conflicts over appointments of delegates. [Cap-Haitien correspondent recording]. Popular protests against the appointment of some vice delegates of the northern districts dominated the local news this week. Vice delegates from Saint-Raphael, Jacque, and Limbe would not have been accepted by most of the citizens' groups. According to the Federation Association of Saint-Raphael Quarter, the choice of Edouard C. Deseide as vice delegate was an unfortunate mistake. He would not have been the person chosen to fill such a post. [passage omitted] [end recording]

Legislature Completes Session With General Review

FL1305234591 Port-au-Prince Radio Metropole in French 1300 GMT 13 May 91

[Text] Today, 13 May, ends the first session of the 45th Legislature. Both Chambers will meet this morning in General Assembly. An assessment of achievements will be presented at that time. Prior to the closing ceremony, however, the deputies must have completed a vote on the internal rules of the Lower Chamber.

The senators and deputies of the 45th Legislature will resume sessions on the second Monday of June.

Canadian Parliamentary Delegation Visits Haiti

FL1305235691 Port-au-Prince Radio Metropole in French 1300 GMT 13 May 91

[Text] A delegation of Canadian parliamentarians, who are also members of the Association of French-Speaking Parliament Members visited Port-au-Prince last week to work with Haitian parliamentarians who will become members of the Association of French-Speaking Parliament Members.

African Delegation Meets With Officials

FL1405000591 Port-au-Prince Radio Metropole in French 1300 GMT 13 May 91

[Text] An African delegation will be visiting Haiti, including cultural state secretary of Burkina Faso, Mrs. Ali Mata, as well as vice president of the Institute of Black Peoples.

The African delegation already conversed with members of the government, including foreign affairs minister, Marie-Denise Fabien Jean-Louis, and information, coordination and culture minister, Marie-Laurence Jocelyn Lassegue.

Before leaving Haiti tomorrow, the African delegation will meet with the president of the Republic.

VOAM Presents President With Two Checks

FL1405160191 Port-au-Prince Radio Antilles Internationales in French 1145 GMT 13 May 91

[Excerpts] [passage omitted] At 1300 on 10 May, the officials of VOAM [Send Haiti Up] gave President Jean-Bertrand Aristide two checks. One check is for $350,000 and the other one is for 500,000 gourdes [$100,000]. This money represents the total amount received through a collection which this organization initiated on 28 April in Haiti and in the 10th department. Carl Nelson, one of the officials of this organization, told us that the collected money is more because at the bank where they opened two accounts there is 518,929.45 gourdes in one account and $353,135 in another account. This does not include the money collected in New York, New Jersey, Boston, Canada, and so forth which is anticipated and should total $1,189,248. [passage omitted]

According to Emmanuel Ambroise, the president of VOAM, the Haitian people's participation in this collection shows how much they are determined to help their elected government find the means to achieve its program. He also thinks that once again the Haitian people have proven themselves other than the lesson provided on 16 December. Emmanuel Ambroise also pointed out that despite being minor, the forces opposed to change are still there looking for opportunities to break up the Haitian chain of solidarity, whether they are in Haiti or abroad. [passage omitted]

Costa Rica

Nicaraguan Leaders Bring Aid, Sign Agreement

PA1305161891 Managua BARRICADA in Spanish 11 May 91 p 12

[Report by special correspondent Maria Alicia Talavera]

[Text] Liberia, Costa Rica—Yesterday Nicaraguan Presidency Minister Antonio Lacayo warned political sectors that are fostering vengefulness and division in Nicaragua to stop manipulating the country's low-income sectors and to help the poor.

Lacayo visited the town of Liberia with General Humberto Ortega, commander in chief of the Sandinist People's Army [EPS], to bring 27 special vehicles and 55 servicemen to assist in support operations in zones affected by the recent earthquake that rocked the country's Atlantic coast.

At a news conference with Ortega and Costa Rican Security Minister Victor Emilio Herrera, Lacayo reiterated that his government will not tolerate manipulation by some sectors that are seeking supporters for the 1996 presidential elections.

Asked if there is evidence linking Vice President Virgilio Godoy to those actions, Lacayo said that the evidence, which is being gathered, would be announced soon.

"When election time comes, let anyone who wants to be president begin his campaign then," Lacayo remarked.

Ortega reaffirmed the charges he made last week and said the caustic statements by Vice President Godoy and Managua Mayor Arnoldo Aleman do not represent President Violeta Barrios de Chamorro or 90 percent of the people in favor of peace and reconciliation.

On the activities of small armed groups, he said that the situation in Nicaragua indicates a another civil war is possible because the majority of the people do not want it. [sentence as published]

The official ruled out the United States being linked to these tiny groups because, he said: "I do not believe they are going to get involved in that."

Ortega said he has information that Aleman and people close to Godoy—who call themselves Virgilians—have gone to several areas in northern Nicaragua, where those groups are demanding that the government comply with the commitments made to the former contras.

Mayor Aleman's actions, such as the destruction of the monument to Vietnamese hero Ho Chi Minh or the statute of Panamanian General Omar Torrijos, make those groups feel that they have political support and that they can engage in acts of provocations, Ortega stated.

The Costa Rican security minister and the Nicaraguan Army chief signed a cooperation agreement between these two institutions. They agreed to exchange information on natural disasters, equipment, and aid in the face of possible disasters that may befall any of the two countries.

Nicaragua will keep a Sandinist Air Force helicopter at the disposal of the Costa Rican security minister for 30 more days to continue supporting the work to help the earthquake's victims.

The representatives of the two countries reaffirmed the policy of coordinating actions to find solutions to problems that may arise on sea resources and will continue defusing mines along the common border.

Major Francisco Lopez, EPS engineering section chief, presented the 27 special vehicles and the 55 servicemen who will guarantee the restoration of the highway between Limon Port and Estrella Valley. The EPS soldiers will clear the debris of six bridges and reopen pathways. They will use special techniques to clear the Estrella River.

El Salvador

END Units Attack Armed Forces in Morazan

PA1005204791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 10 May 91

[Text] The Armed Forces is now and in the coming days plans to carry out intense offensives against territory controlled by the FMLN [Farabundo Marti National Liberation Front] with the purpose of depriving the FMLN of its territory and other achievements. Because of this, and reiterating our right to actively defend what we have won, in Morazan Department soldiers of the Lenca Battalion of Military Detachment No. 4, dressed as civilians and taking with them their military equipment in old bags, fled toward Military Detachment No. 4 headquarters in San Francisco Gotera.

This occurred after National Army of Democracy [END] units staged operations against the enemy in the area of Jalacate hill, between Cacaopera and Corinto. During the fighting, 15 casualties were inflicted on the enemy and an M-16 rifle was seized, as was other military materiel. This was reported to us as follows:

[Begin unidentified speaker recording] On 8 May END units staged the maneuver known as "Companeros Israel and Chavelito Live Forever in the Hearts of our People." The attack was staged against a company of the Lenca Battalion that was moving from Cacaopera to Corinto. The fighting began at 1400 in the Jalacate area and lasted until 2100. During the first 30 minutes of fighting a section [not further identified] was disrupted and the entire company was virtually disbanded. We maintained our offensive actions throughout the attack. As a result of the maneuver, we seized one M-16 rifle, two grenades [as heard] for 90-mm recoilless rifles, three knapsacks, 1,500 5.56-mm cartridges, one M- 60 cartridge belt with 200 cartridges and other military materiel, equipment, and uniforms. The enemy suffered four dead and 11 wounded, including a sergeant. We wish to note that a large part of the soldiers fled desperately toward Corinto River.

In a last-minute report, our sources indicate that soldier Vidal Vides Pereira arrived at Military Detachment No. 4 garrison this morning after an 11-km escape. The soldier had a bullet wound in his arm. We were also told that groups of soldiers, who were dressed as civilians and carried military equipment in bags, were seen fleeing toward Gotera. This again reflects the demoralization of the antidemocratic Army. Revolution or death, we will win. The bulletin is signed by the joint command of the Northeastern Front [end recording]

Guatemala

Government Ready for Second Round of Talks

PA1405033391 Guatemala City EL GRAFICO in Spanish 11 May 91 p 6

[Text] Guatemala City, 11 May— The Guatemalan Government is ready for the second round of talks with the URNG [Guatemalan National Revolutionary Unity], which, as before, will be held in Mexico City. Nevertheless, until yesterday the date of these new talks had not been confirmed.

Guatemalan President Jorge Serrano in an interview with a Mexican television newscast mentioned 18 and 19 May as possible dates for this second round of talks. But the date for the talks can only be established by the National Reconciliation Commission [CNR].

Recently Vice President Gustavo Adolfo Espino said that the new talks with the URNG would be held between 20 and 30 May. However, he did not mention an exact date either, as it is the CNR that must fix the date.

President Serrano told the Mexican television newscast that he is very optimistic about these talks, as both parties—the URNG and the government—in the previous talks had demonstrated the political will to attain a total peace agreement.

URNG's Gaspar Ilom on Dialog With Government

PA1205001691 Guatemala City SIGLO VEINTIUNO in Spanish 7 May 91 pp 12, 13

[Interview with Gaspar Ilom, commander in chief of the Revolutionary Organization of the People in Arms, ORPA, and member of the Guatemalan National Revolutionary Unity, URNG, by SIGLO VEINTIUNO correspondent Marco Tulio Barrios in Mexico City on 27 April]

[Text] [Barrios] The dialogue and political negotiations between the government and the rebel forces have opened a new chapter in Guatemalan history. There has been an armed confrontation between these sectors for the past 30 years; one sector wants to "defend the democratic institutions" and the other to attain "a social and and economic transformation" that would generate well being for the population.

After 30 years of armed strife, it is evident that we have to combat the causes that prompted many Guatemalans to take up arms: extreme poverty, irregularities in Guatemalan society, and the need to improve conditions for those marginalized from the country's benefits.

Gaspar Ilom's real name is Rodrigo Asturias and he is the son of Nobel Laureate for Literature Miguel Angel Asturias. Ilom is also ORPA's commander in chief and this organization is part of the URNG. The following are some of his statements in regard to the Guatemalan peace negotiations.

Commander Gaspar Ilom, what is your evaluation of the process to find a political and negotiated solution to the armed conflict in Guatemala?

[Ilom] The dialogue and negotiation process has had very interesting antecedents and characteristics. We proposed the dialogue prior to Esquipulas II. We prepared the first meeting held in Madrid in October 1987; six months before Esquipulas II was mentioned.

The need to present proposals for dialogue has been foremost to the Guatemalans and the revolutionary movement. The first attempt was the half-meeting between the government and the URNG in 1987. However, these talks were discontinued. I say half-meeting because the government lacked true political will to comply with the commitments it made. The government agreed to continue meeting to discuss the approved agenda but proceeded to break the talks before the important points were discussed. The revolutionary movement greatly resented this and the government's action closed the possibility of further talks.

Between 1987 and 1990, the URNG presented approximately 32 proposals—at the national and international level—to renew the dialogue. One of the proposals was addressed to the country's political and social sectors as the government refused to resume the process. The URNG presented the need to start a dialogue with all sectors in our society to attempt to reach a national agreement. The proposal was presented at the same time the National Reconciliation Commission [CNR] made advances in its attempt to hold a great national dialogue; a dialogue that proved to be positive and valuable and was up to par with the country's needs.

The possibility of a meeting in Oslo came up at the end of 1989. This meeting was carried out under the auspices of the Norwegian Government and the sponsorship of the International Lutheran Federation. At the Oslo meeting, the 30 March 1990 agreements were reached. These agreements opened the path to allow us to attempt to reach a political solution to Guatemala's armed internal conflict.

The Oslo agreement included three very important points:

1. The ratification of the government's and the URNG's political will to find a solution to the country's problems and the armed conflict.

2. The dialogue perspective was set; it determined that a mediator would endeavor to maintain a strong and dynamic process of dialogue and that he would also act as the guarantor to the process.

3. The initial procedures for the dialogue process were set in Oslo. It was of great importance to have established a program of talks with different sectors in the country prior to the second phase: the direct government—URNG negotiations.

[Barrios] How do you evaluate the entire process?

[Ilom] We believe the activities of the dialogue process last year—with the five meetings with different social sectors of the country—were among the most positive that have occurred in Guatemela in the past years and among the most important in our country's history.

[Barrios] How does the URNG view the dialogue process?

[Ilom] I think that the process has possibilities because it is historically necessary and it is something that the Guatemalan people want, especially because the people have developed and strengthened their political awareness and have realized that a political solution is necessary, a political solution that would overcome limited positions that call only for a cease-fire and maintain that peace is just a simple end of the fight. The Guatemalan people, especially the most progressive sectors, are aware and realize that it is necessary that transformations take place and that measures be implemented to change the country's general situation. There cannot be peace if the economic, social, and political problems of Guatemala are not resolved. It is important to resolve them because otherwise there will not be a solution to the armed conflict.

The revolutionary war we have been waging for so many years is not a whim, it correctly and firmly responds to Guatemala's historic, political, and social situation. The revolutionary war is not the result of arbitrary decisions or of volatile or irrational resentfulness by a group. It is an expression of the huge needs of our people.

[Barrios] When were the guerrillas close to achieving a military victory and what problems have they faced?

[Ilom] It has been said that in 1980 the possibility of a guerrilla victory existed and that the revolutionary movement was more powerful than it is now. This is not exactly right.

We think that the revolutionary movement is stronger now than it was in 1980. The movement did not make more progress then because of the big repression campaigns that were waged. They included genocide and scorched earth operations that produced a bloodbath at a moment when the revolutionary movement was not prepared to respond to that kind of situation.

It has been said that in those years there were objective and subjective conditions for a guerrilla victory.

In Guatemala, the objective conditions for a revolution have always existed. In the 1980's the international situation encouraged changes and, at home, the regime of the abominable Lucas Garcia was worn out. This had created positive factors and it cannot be denied that conditions in 1980 were good. However, fundamentally speaking, these conditions have not changed and the revolutionary movement has not lost the people's support. We have not been defeated, despite the fact that every political and military counterinsurgency effort has been made to defeat us. I do not think that too many countries in contemporary history have endured all the experiments and strategies that have been used in order to finish off the Guatemalan revolutionary movement.

[Barrios] What do you think of the workers' and peasants' movement?

[Ilom] I think that the popular movement is an expression of the needs of our people. We have to consider the fact that this movement has been tremendously repressed. Whole generations of popular leaders have been annihilated. They have been the victims of kidnap, murder, terror, and harassment. Nevertheless, the movement has been able to reemerge out of that situation. It is an expression of the struggle that results from the people's urgent needs.

I think that another characteristic of the people's movement is that it was initiated by the people themselves as an expression of the country's history and situation. Movements and organizations of a humanitarian nature have in Guatemala an importance seldom awarded these groups in other countries. This is so because in Guatemala these organizations somehow express the country's situation and struggle for human rights, for dignity, against repression, and for the return of missing people. They wage a truly admirable struggle. From a historic point of view, they are the expression of the country's true situation. As long as this true situation persists, the popular and revolutionary movement is always going to be present and will always struggle, despite repression.

[Barrios] Do you think a transformation of society may take place once the pressures of the war cease?

[Ilom] The peace negotiations are being held within the framework of the war and are aimed at ending it. To end that war a fair and democratic solution must be reached.

Therefore, the URNG command has always stated that peace is not in a separate category, but that, for the war to really end, the conditions that prompted our rebellion must cease. That will involve making a real democracy in Guatemala as we have defined it, not just a political democracy but also a social democracy. A democracy that may create the conditions that will allow Guatemala to get up to date with this century. We live in conditions of enormous backwardness from all points of view.

Our social and economic development has fallen behind that of the rest of the world.

[Barrios] How could the country's current economic scheme be changed? What does the URNG propose?

[Ilom] There is one possibility that we have been promoting. To advance a process through which the conditions are created for reaching agreements based on national consensus and to promote those transformations. That is to say, to promote the most important and urgent reforms in our society.

We have been doing this particularly over the last year. In this year we have become aware of that need because during the search for peace we have looked deeper into the conditions necessary to attain and build that peace.

[Barrios] What economic model do you propose?

[Ilom] I believe that in this struggle and these agreements, in all this field of political struggle, a new economic model must be made. One that conforms to the country's conditions, the current international situation, and the area's conditions. I believe that is the great challenge we face. The URNG, as well as a national consensus, could create that development plan for the country without it necessarily implying the expropriation or collectivization of private property. We believe that different reforms must be made within the current framework, but reforms that do represent an advance in the general structure.

[Barrios] What will the URNG's political perspectives be once it is incorporated into national life? Will it form a political party?

[Ilom] The important thing is not the political party. The important thing is the political struggle. We have always struggled politically, and with increased intensity and projection over the last few years.

We will always continue that political struggle. The revolutionary movement expresses the people's needs, carries our people's banners and, thus, has helped generate these conditions for negotiations. We have proposed the search for solutions within the context of a general struggle. These solutions do not imply that we should end the struggle but, rather, carry out real, plausible, and necessary reforms.

[Barrios] What do you think the United States' intends by questioning the Army and the security forces regarding human rights? Do you think the U.S. Government is really interested in setting the basis for peace in Guatemala and the region?

[Ilom] It is very difficult to speculate about all the possible intentions behind this argument, but it is important to note that the U.S. concern over human rights is a positive thing. This concern and position is not only shared by the United States, but it is shared by the entire international community.

If one examines which countries voted in Geneva to view Guatemala as a place where significant human rights violations exist, we find that the entire EEC, namely all the Western democracies, voted for it. Well-known countries of the world, such as Sweden and the United States, voted to single out Guatemala as a country where numerous human rights violations occur. Thus, this problem is being brought out not only by the United States, but by the international community which has finally realized the true situation in our country. This is important because it is not meddling in Guatemala's internal affairs, but rather a legitimate concern of the international community in the face of so many atrocities. We consider the U.S. concern over the human rights situation in Guatemala to be positive.

[Barrios] The Central American Security Commission is currently evaluating the possibility of reducing the armies of the region's countries, as has been requested by the U.S. Government. What do you think about that?

[Ilom] Yes, indeed. The need to reduce the armies corresponds to a positive and necessary measure in Central America, not only a request made by the U.S. Government.

It is important that this request be supported equally by the United States and that it corresponds to the needs and interests of our peoples. We should understand that things cannot be analyzed from that narrow perspective, rather we should analyze the situation with objectivity.

We support and consider it necessary to demilitarize the area. This demilitarization should encompass the problem of the reduction of the armies throughout Central America, particularly in the case of Guatemala.

[Barrios] What made you choose the armed struggle as a way of achieving social change in Guatemala?

[Ilom] I am from a generation, I was very young, nearly a child, when the democratic government led by Arbenz fell in 1954. This had an impact on my personal and social consciousness. Amid a period of anxiety and reflection at the personal level, the literary works of my father also had an impact on my consciousness. The aforementioned reasons made me decide to devote my life to the people's struggle.

[Barrios] Have you ever been close to dying?

[Ilom] The struggle has been very long and one finds oneself many times close to facing this real possibility. The revolutionary struggle is very dangerous and one realizes this many times. Sometimes, one cannot even perceive the moment of danger, but one may have been in danger many times. One has to run some risks, which corresponds to a social need. If one did not know why one is doing this, then nobody would do it.

* Over 3 Million Children Live in Dire Poverty

91CA0112C Guatemala City SIGLO VEINTIUNO in Spanish 4 Apr 91 p 13

[Article by Rene Arturo Orellana Gonzalez, economist and certified public accountant]

[Text] At the end of the 1980's Guatemala had a population of 8.7 million, of whom 4 million, or 46.2 percent, were under the age of 15 (infants and children), living in a PMD [Underdeveloped Country]. While Guatemala does have some favorable factors, there are also adverse conditions that restrict its economic development.

During the last five years, the Christian Democratic government, in an attempt to achieve financial stability in the short-term, applied economic reorganization and reactivation programs which, instead of producing collective benefits, severely hurt the earnings and standard of living of the middle class and the poor, thus sacrificing the health, nutrition and education of the poor.

Guatemala is suffering from one of the worst crises in its history. In some areas we have stagnated, but in most aspects, we have regressed.

Seventy percent of Guatemala's population lives in "extreme poverty" (destitution or indigence), because they do not have enough income to provide adquate food. They go to bed hungry, and eke out their scarce resources in a state of desperation and depression. Another 15 percent are in the category of "non-extreme poverty." They have enough money for their basic food requirements, but not enough for the rest of their basic living needs for housing, clothing, furniture, transportation, education, health care, and other expenses. Only the remaining 15 percent live free from poverty, and can adequately satisfy all their needs.

Consequently, Guatemala has no fewer than 7.4 million poor people; this is equivalent to 85 percent of the population. 70 percent live in rural areas, 19.2 percent in urban areas in the interior of Guatemala (departmental capital towns and municipalities), and 10.8 percent live in more than 100 urban shanty towns in the capital city, known as peripheral neighborhoods, marginal areas, or poverty belts, in the vicinity of the ravines.

Nationally, it is estimated that there are 3.4 million poor people under the age of 15. These infants and children make up 46 percent of the poor all over the nation. If their basic health care, nutritional and educational needs are not met effectively and at the right time, an entire generation will be impaired. This is aggravated by the fact that there are 418,000 children (poor and nonpoor) who have handicaps affecting their vision, hearing, speech or motor skills, or who have brain damage. So being a child in Guatemala means belonging to a very large group which is at great risk physically, mentally, and morally. These children are dependent upon their parents, and in many cases, on only a mother who is separated, single, or widowed; in other cases, they are homeless, and are "street children."

Guatemala's poor children are distributed almost equally among three age groups: four and under, 35.6 percent; from five to nine, 35.2 percent; with the rest, 29.2 percent, between the ages of 10 to 14.

Of course, the greatest incidence of poverty in our children is found in rural areas with 2,382,000; there are 653,000 in the interior urban areas, and 367,000 in Guatemala City.

Guatemala: Estimate of Poverty Among the Population Under 15; 1989
(in thousands)

Age	In Poverty			Nonpoor	Total (Poor and Nonpoor)
	Destitution	Nonextreme	Total		
4 and under	1,030	181	1,211	214	1,425
5 to 9	1,018	180	1,198	210	1,408
10 to 14	844	149	993	176	1,169
Total	2,892	510	3,402	600	4,002

There are approximately 201,000 poor children between the ages of 10 to 14 in the labor force; this is equivalent to 21.1 percent of the total work force. They help their parents in farming and/or crafts work, supplementing the family income with their premature labor.

A total of 534,000 poor children from the ages of seven to 14 do not attend school. This is 31.2 percent; there are 1 billion, or 58.5 percent, who do not know how to read or write, and are classified as illiterate. There are also 68,000 under the age of 15 (2 percent) who have no mother.

The last 10 years of our history, known as the "lost decade," were not good ones for children and youth, or for the adult and elderly population in general. Rather, they were years of uncertainty, social unrest, economic stagnation, regression of the state's social functions, and a marked deterioration in the standard of living. With some few exceptions, most Guatemalanas did not share in the "common good," which is only achieved when the nation's socioeconomic conditions enable its people to reach their maximum personal development. Not even 20 percent of our people live outside the shadow of poverty. They are the only ones who enjoy the economic, social and cultural rights recognized in our political Constititution.

Guatemala has become more unequal, poorer and more conflict-ridden. The extremely precarious living conditions are an obstacle to improving the production system, since they deprive industry of a market and make up a population that is increasingly less able to cope with the demands of modernizing production.

The poverty which afflicts a high proportion of parents, children and their families is a visible phenomenon which can be seen in the peasant lifestyle, in the peripheral neighborhoods of Guatemala City, and in the interior towns. It goes beyond ideology. It simply exists, and it is possible to quantify it, to describe it and to place it in spatial terms.

Today's poor have many faces. Coexisting in our midst are people who do not have sufficient means of production and reproduction; there is poverty caused by social discrimiantion; inherited poverty, which is transmitted from generation to generation; the new poor or middle class families who have become poor; the elderly, street children or homeless children, beggars, street waifs, the handicapped, and others. These forms of poverty are not new in Guatemala, but they have grown much worse recently, especially in terms of urban poverty. The economy has grown increasingly dependent on the dollar. We obtain earnings in undervalued quetzals, and we buy at prices set in terms of dollars. Some characteristics of the poor families of Guatemala which are made up of parents, children, and other family members are: unstable marriages or domestic partners, disintegration of the home, illegitimate children, single mothers, absent fathers, a struggle for survival, poor health conditions, defective medical care, hunger, lack of nutrition, constant scarcity, a shortened life expectancy, a high proportion of children and young people, unemployment and underemployment with inadequate wages or involuntarily reduced work hours, and the use of violence to resolve problems. Their life is spent at a survival level; they pawn their personal belongings to get some meager funds; they use second-hand clothes, and are uncertain about their future. Entire families typically live in a single room, all crowded together.

Poverty also presents some positive aspects. It has its own structure, its raison d'etre. It has mechanisms for coping with life's adversities, and its own form of self-esteem, satisfaction with oneself and one's own circumstances.

The increase in poverty (social debt) which rose from 79 percent to 85 percent from 1980 to 1989, has resulted from the decline in salaries, the growth in unemployment and underemployment, and the worsening of working conditions, hurting the most vulnerable social sectors: women, the elderly, peasants, native population groups, and children.

Given the conditions now prevailing in Guatemala, in the future there will be even more poor people if the style of development which has predominated to date is not changed. Along with maximizing economic growth, we must ensure that its benefits reach all Guatemalan families, especially the poor who do not benefit from boom periods, but who are hurt drastically in periods of crisis like the present one.

Even though in the short term Guatemala has limited expectations for economic growth and scarce resources, we must develop viable formulas to attain this objective. Based on the latest growth rates, it has been estimated that it would take 76 continuous years to alleviate our poverty, unless some "economic miracle" were to happen.

Honduras

Advisers Reject Reduction in Armed Forces Budget

PA1305202691 Tegucigalpa LA TRIBUNA in Spanish 13 May 91 p 6

[Text] The government has totally rejected a joint IMF and World Bank resolution that states poor countries must reduce their military spending. The different government offices concur that the region's historic conditions do not allow for the implementation of that kind of policy; and so long as the region's "big" armies are not reduced, this measure would be "illogical." When questioned about this matter, President Rafael Leonardo Callejas answered in a very sketchy way, but reiterated that the Honduran Armed Forces' budget cannot be reduced.

He also said that "at no time" has he received official communication from the credit organizations, and all he "knows about it is what is mentioned in the news media."

Presidential economic adviser Emin Abufele ignored an "imposition" from the credit organizations stating that the information he has "is the recommendation designed to reduce production costs and investments on weaponry for military strategic systems in order to help low-income people with those funds."

He said that the measure aims at helping developing countries overcome their economic crisis in the fields of health and education, "but I do not think they specifically referred to Honduras," Abufele stated.

The official admitted that a measure of that kind would bring big benefits, "since the worldwide armaments investment totals in the billions; and if one percent of those costs were allotted to Honduras for its economic, social, and educational development, that would be sufficient."

Abufele felt that that policy cannot be applied to the Honduran Armed Forces because they "have already been substantially reduced and continue to operate. In fact, they are now much more efficient."

Moreover, Callejas' private adviser Gilberto Goldstein noted that "it is totally wrong to say that credit organizations are meddling in our domestic affairs."

"They merely make recommendations to countries on which measures to adopt to improve and correct their economies. They propose rules where cuts must be made in state entities, and one accepts the suitable ones and rejects what is not," Goldstein added.

He said the president has been sufficiently clear in defining his policy regarding the Armed Forces and noted that "the difficulties that still exist in Central America make it necessary to have armies."

"I would say the (reduction in military spending) is not acceptable, and international organizations are not proposing it either. This is an internal matter; and at this time, when Honduras has the smallest army in the region, a policy of that kind cannot be implemented."

Goldstein felt the attitude of those organizations does not reflect U.S. foreign policy, which is currently aimed at reducing military spending.

He said Honduras has good relations with the United States, and they "are aware of the professionalization that has been taking place within the Armed Forces in recent years."

The president's private secretary deemed it advisable to reduce all of the armies of the regions, but "under equal conditions. The bigger armies (Guatemala, Nicaragua, and El Salvador) must begin to reduce their size so as to be comparable to ours. That way, we can continue this process later in a gradual manner; otherwise, it would be illogical."

Rebels Surrender Weapons, Discuss Future

PA1305152291 Tegucigalpa EL HERALDO in Spanish 11 May 91 p 2

[Report by Armando Villanueva, EL HERALDO editor]

[Text] Yesterday, the Cinchoneros People's Liberation Movement (MPL)—after confessing their responsibility in General Alvarez Martinez' death and in the attack on a Bancahsa branch in El Zamorano, among other operations—surrendered their weapons and became the first rebel group in the nation to state its reincorporation into the democratic process as a means of attaining power.

Commanders Efrain Manzanares, Roger Eludin Rosales, Fuasto Orellana Luna, and Luis Rivera held a news conference at the Hall of Mirrors in the presidential palace; both were accompanied by Pesident Rafael Leonardo Callejas, and Armed Forces commander Luis Alonso Descua Elvir.

The MPL was founded in 1978 by Fidel Martinez, under whose leadership other armed rebel groups were formed. Some of these rebel groups are: the "Lorenzo Zelaya" Revolutionary People's Command, the Honduran Revolutionary Party of Central American Workers, and the Morazanist Front for the Liberation of Honduras.

The Honduran armed groups emerged between the end of the 1970's and the beginning of the 1980's within the framework of a deep division in the Communist Party. This division was the result of some members wanting to pursue peaceful means to obtain the changes desired and some wanting to pursue the military option.

In his first public appearance after surrendering, Cinchonero commander Eludin Rosales explained that the group decided to change its course after witnessing the changes the nation underwent during the middle of the last decade.

Rosales said: "We are going to struggle politically as hard as we did militarily," and he added that one day we will rule the nation from the presidency, through the electoral process.

"In the next election we are going challenge the liberal and national parties," not as a third force, but for the presidency itself, Rosales asserted.

Rosales said the current conflicts should be resolved at the negotiating table and on the political front by incorporating the most talented members of the group and, according to Rosales, there are many in the revolutionary rank and file.

"Before you, before the people, before the nation, we ratify our democratic will," Rosales stated.

The former rebel said: "We hate to kill because we also hate the idea that we are going to be killed."

During the news conference Rosales said: "We want to honor our comrades who have fallen in the course of battle over the years" and he added "the best war is the one that is never fought."

Nevertheless, Rosales said that he was not able to say that in Honduras the armed option has been totally ruled out, although for the Cinchoneros it has been.

During the question and answer segment, the Cinchoneros commanders were asked if they acknowledged being behind the Chamber of Commerce and Industry attack in 1982.

"That question and the answer will contribute a great deal to the issue we are dealing with. It would be beneficial for us to now confirm or deny the incident." Rosales replied.

He then said: "Yes, it was our organization that attacked the Chamber of Commerce."

As the questions kept focusing on the MPL's military actions, Rodales said: "We are under the impression that some people want to continue talking about war. Let us also talk about peace."

Regarding the death of former Armed Forces Commander General Gustavo Alvarez Martinez on 25 February 1989, and the attack on the Bancahsa branch in El Zamorano in August 1990, the rebel leader said: "On both occasions, organization (Cinchoneros) groups and commandos claimed responsibility for those actions."

When asked specifically if they had carried out those two last actions, the Cinchonero commander replied with a simple "yes."

The MPL now wants to create a party with a broad platform that will represent the aspirations of not only the workers and peasants, but also the middle class and other national sectors.

Regarding the last dynamite attack at the National Party headquarters in San Pedro Sula, Rosales said that the group has condemned the action "in public and in private."

According to Rosales, the attack was carried out by an MPL faction. He noted: "We clearly told that faction that such an attack gives the impression that revolutionaries are antidemocratic and we are neither antidemocratic nor terrorists." Rosales said that he is not a part of the governing National Party, but the party is an institution of democracy "and as such, must be respected."

Yesterday the MPL leaders made their first political demands, including one that calls for reforms to the electoral law to permit people to vote at age 16. Right now people under 18 cannot vote.

Rosales also called for the military to have the vote "to avoid the channeling of their political preferences through means that would be uncomfortable and unpleasant for the country." This plea has been viewed as inconsistent with the principles Rosales claims to defend.

The MPL leaders said the democratization effort must go beyond "cosmetic" aspects and include not only isolated measures, but also government programs. "This is not a matter of offering ephemeral relief" because the class struggle continues.

The MPL representatives were asked if the government could be using them to make the people and the world believe that it broadly respects human rights.

Rosales said: "We are here of our own free will. In my case, I am here and there is no immigration record of my presence" and the same, he said, could be said of the other companeros.

Rosales said that they have all always been in danger. "We love life but do not torment ourselves with fears about dying. We are here of our own free will. We are not being used and no other organization is being used."

Rosales said that "everybody is interested in securing political gains." People want to be able to move about the country without having to worry.

Rosales said his organization is going to run for all sorts of political posts, including that of deputy and mayor.

He also said that his group is not helping the government mount a show about respecting human rights in Honduras. "We are being clear," human rights violations and the massacres of peasants continue.

In his opinion, however, these actions are not part of "the general policies of the Armed Forces and the government" and are "isolated events." Nevertheless, he said, these actions must stop.

According to the Cinchoneros leader, the domestic situation in Honduras began to change with the fall of Alvarez Martinez from the military command.

He said that after Alvarez Martinez fell, there were some repressive actions, including the murder of the Cinchonero commander who led the takeover of the San Pedro Sula Chamber of Commerce. The murder took place in Saba, Colon. "We lost more companeros, but we fully realized that we had to find another way to wage our struggle."

"They killed some of our commanders and we killed some of their generals," but we cannot continue this game.

Meanwhile, Efrain Manzanares defended the political system of Cuba, where he has lived, because of its respect for human rights.

Eludin Rosales said his group acted according to the law, therefore, he feels no remorse for any of the actions carried out. Besides, he said: "We are neither apostles nor bishops to bear all the pains of mankind."

Rosales noted: "If a crazy extremist kills us," other leaders of the movement will maintain this line. He said that there are extremists in both the army and in his own organization.

Rosales said that there are MPL militants being held at the central prison and that if "we are going to speak of a pardon" there must be a general amnesty because the one that has been granted is incomplete.

The negotiations aimed at incorporating the subversive groups into the country's political life began on 12 January. They were carried out by rebel and government delegates.

Yesterday, at 1400 hours, the four Cinchonero leaders met somewhere in this capital with General Luis Alonso Discua Elvir to continue negotiations for their reincorporation into the country's political life.

There is no report on how many MPL leaders are still carrying out the armed struggle or refusing to surrender their weapons.

Gen. Discua Hails Surrender

PA1305133691 Tegucigalpa EL HERALDO in Spanish 11 May 91 p 3

[Report by EL HERALDO editor Eduardo Maldonado]

[Text] Yesterday Armed Forces Commander General Luis Alonso Discua Elvir described the surrender of four Cinchonero People's Liberation Movement [MPL] leaders as a political and civic event and announced that the military will adopt a "clean slate" policy regarding the military activities of the rebel organization since the 1980's.

Gen. Discua said that yesterday's ceremony demonstates the will of the government and the Armed Forces to maintain a democratic opening.

The general said the Armed Forces will guarantee the nation-wide freedom of the Hondurans who abandoned their armed activity yesterday so that they can participate in public life.

Discua said the Armed Forces will respect the rights of all Hondurans who have returned to the country and those who may want to return.

According to the general, the fact that some Cinchoneros have made their identities known now represents a commitment to the authorities because there could be other Cinchoneros who do not agree with surrendering. The Armed Forces are committed to providing security for those who have surrendered, he said.

Discua called on other MPL leaders to join the country's political life, since now, under the government of President Leonardo Callejas and the military, there is room.

Nicaragua

Lacayo Rules Out C.A. Parliamentary Election

PA1005150091 Madrid EFE in Spanish 2257 GMT 9 May 91

[Text] Managua, 9 May (EFE)—Nicaraguan Presidency Minister Antonio Lacayo ruled out today the possibility of holding elections to elect the 20 deputies who will represent Nicaragua in the Central American parliament, which will be installed in Guatemala on 1 November.

Lacayo, who opened today in Managua the 3d Meeting of Legislative Assembly Presidents of Central America and Panama, said the possibility of holding elections to select the deputies who will represent Nicaragua at the Central American parliament "could prolong the polarization and confrontation of society."

During this two-day meeting, the participants will discuss the future of the Central American parliament. The five Central American presidents signed the treaty creating the Central American Parliament in October, 1987.

Speaking on behalf of Nicaraguan President Violeta Chamorro, who traveled on 8 May to the United States, Lacayo stressed that Nicaragua should look for a "provisional mechanism" to appoint its representatives at the Central American parliament.

Until today, only El Salvador, Honduras, and Guatemala have held elections to choose their representatives at the regional parliament.

Government Guarantees Land, Housing Ownership

PA1005135791 Managua BARRICADA in Spanish 9 May 91 pp 1, 12

[Text] The government guaranteed the ownership of lands, houses, and settlements delivered between 19 July 1979 and February 1990 during a meeting held between government and Sandinist National Liberation Front [FSLN] delegations two nights ago in Managua.

FSLN sources reported that the government offered to guarantee the ownership of these properties, as stated in the Transition Protocol.

The FSLN National Directorate delegates, led by former President Daniel Ortega, told Presidency Minister Antonio Lacayo that the National Revision Commission has been ordering the return of properties and that the FSLN rejects the way in which extremist National Assembly groups have been trying to repeal Laws 85 and 86.

Minister Antonio Lacayo told BARRICADA yesterday that the talks with the FSLN "continue. We have achieved a lot of progress."

According to Lacayo, they "are trying to reach a consensus concerning the land ownership problem in Region II, meaning the countryside. All these issues are obstructing the beginning of the agricultural cycle, which we all want to be successful."

Prior to saying this, Lacayo met with a National Assembly commission and stated that the land ownership problem "is a national issue. We cannot continue with this game, pretending that everything has two owners. We must seek intelligent, mature, and wise solutions to the problem."

The solution must give the people confidence and security according to the guidelines of the National Concerted Agreement and the Constitution, he said.

"We must do things in an organized way. We might be able to unravel this in a matter of days so as to satisfy most of the people," Lacayo said.

The other issues discussed in the government-FSLN talks were the process of assigning land to workers in the countryside, the APP [People's Ownership Sector] enterprises, retired EPS [Sandinist People's Army] officers, and demobilized contras. The participants also discussed financing production activities, the teachers' strike, and the issue of the Olof Palme Convention Center workers.

The government pledged to make financing more flexible to guarantee the success of the current agricultural cycle and to find a solution to the two labor conflicts.

Lacayo Speech on Economic Adjustments, Progress

PA1205223191 Managua Radio Nicaragua Network in Spanish 1854 GMT 9 May 91

[Speech by Presidency Minister Antonio Lacayo at the Olof Palme Convention Center in Managua on 9 May—recorded]

[Text] IMF officials believe that the measures applied by the Nicaraguan Government are consistent with the objective of reducing inflation. The IMF not only said this, but also said that these measures will allow the

international financial institutions to provide the technical and financial assistance necessary to create conditions for sustained economic growth in Nicaragua. The IMF called on the donor countries to help Nicaragua with its acute debt problem with the international financial institutions.

The IMF went even further and said that it is also important to stress Nicaragua's dependence on the donor's financial assistance and that early involvement by the international financial institutions would provide important support in the execution of plans for a medium-term economic recovery. This statement from the IMF, read on 25 March in Washington, was not a surprise as we had an idea of what was to be said, but rather a very pleasant event because the IMF did not limit itself to defining our program as correct. It also invited and urged the international community to act for Nicaragua, in the problem of the overdue debt, and to act fast. That is to say, to get involved early.

On 25 and 26 March we heard the representatives of the Inter-American Development Bank [IDB], particularly its president, Enrique Iglesias, and the representatives of the World Bank say how they were ready to contribute large sums of money. They would grant structural adjustment credits, sector adjustment credits, project financing credits, and even credit operation credits once Nicaragua cancels its debt so the country can really face the task of development. In view of such statements from the IMF, the IDB, and the World Bank, we later heard the positive and pleasant response of the international community. They all praised, not only the economic program that Nicaragua had launched 22 days earlier, but also the way in which the government had done it within a broad national consensus, a policy of concentration, national reconciliation, and involvement of all the sectors of society. This is evidenced by the fact that when we went to Washington, we not only had support from all the political forces in the country, government and opposition, but also from all the unions, business, and even from the ecclesiastical authorities of Nicaragua. By then, they had all agreed to support this plan despite the fact that there had been some negative and opposing reactions to the plan from some unions.

We then understood that, just as it had been in Paris when we appeared there practically without any program or shield to help us with the IMF, the ball was in our court, and that forced us to not only prepare a good plan but also to execute it. Just as it had been in Paris when we found the ball in our court, we felt when we left the meeting in Washington that the ball was now in the court of the international community. We feel that at the next meeting, which they agreed to hold on 16 and 17 May in Paris, the international community will say what they are willing to do to help Nicaragua to solve the problems of its overdue payments to the international financial organizations.

Our intention was not to settle an old account and obtain a certificate of good conduct from the IDB and the World Bank that we could display at President Violeta de Chamorro's office while things remain unchanged except we got up to date in our payments. Our purpose in requesting support from the international community was for Nicaragua to achieve two things: settling this old account and getting up to date; and obtainining in a short time—as the IMF document states—the necessary resources to reach sustained economic development. We did not seek solely a temporary improvement and then hope to fall back in the typical disgrace that characterizes Latin America. We seek to start, a few months from now, a real economic development program that will make it possible for Nicaragua to emerge from the hole in which we have fallen, come to the surface, and then rise to our potential, which we know is unlimited.

We will go to the meeting in Paris next week to hear what the international community has to say. Obviously, we will be shielded and supported not only by the statements made by the World Bank, IDB, and IMF at the meeting in Washington, but also by the fact that two months later ... [corrects himself] almost three months after the economic adjustment plan was implemented, Nicaragua can show that after the first month—in other words in April, as the plan was launched in March—inflation dropped in Nicaragua. Through adjustments in electricity and water rates—which were not seen in March because users are given a one month grace period and so the respective bills were not paid until April—inflation was less than five percent in April.

The IMF goal—single-digit inflation by the end of the year—was achieved not by the end of the year, but one month after implementation. Based on weekly inflation rates, we are sure that inflation in Nicaragua will not surpass single-digit inflation. Not only that, but we expect monthly inflation rates to drop to 2.5 or 3 percent, so that when we enter the phase of economic development, our economic stability can be a firm and irreversible reality.

We will go to Paris with this genuine achievement, a 4.7 percent inflation rate for April. We will go to Paris also having made considerable progress in our private banking legislation; this law has already been approved by the Legislative Assembly. The law that allows foreign investment to flow into Nicaragua has also been approved by the Legislative Assembly. Moreover, this draft bill was enhanced by a presidential veto on two articles that placed certain restrictions on the aforementioned law. We are certain that the law's final form will be as currently modifed. We will also go to Paris with considerable progress completed on the privatization task. The draft bill on privatization will be sent to the Legislative Assembly as soon as we come back from Paris and it includes a draft bill on land tenure that we support. This land tenure issue is vital for the nation to define—once and for all—private property, to end the confusion of dual ownership for each property, to end the uncertainty of those who do not feel secure where there are numerous laws and decrees that have complicated the situation even more. By next week, though, all of this should be cleared up when the executive and

legislative branches move toward a harmonious, mature, intelligent, and well-analyzed solution to this property problem for the benefit and tranquillity of all the Nicaraguan family.

We are also going to Paris with important already approved presidential decrees, such as the ruling on the foreign trade monopoly. This year, anyone who wants to export coffee can do so; whoever wants to export cotton, bananas, or whatever, can do so. These exports will only be subject to Central Bank exchange rate regulations. Those monopolies, however, that Nicaragua had for many years—which allowed only the government to export and import, thereby restricting all competition—will be eliminated.

These draft bills also include the tax reforms that have been progressing in parallel with the economic plan, thus lowering rates, increasing domestic competition, and expediting bureaucratic transactions to prepare this economy for a take-off.

We are going to Paris then, confident and assured when all I have mentioned is confirmed, and when the international community sees that this nation continues to be united, despite the vast objective difficulties that we are living through as a result of the war and as a result of an economic situation that has been accumulating all these years. Despite all of this, last year we not only reached a national consensus but with the agreement of all those who participated, we are going into the second stage of the national consensus. As soon as we return from Paris on 21 May, we are going to sit down at the negotiating table to evaluate once again, or rather to evaluate for the first time, the results of these six months, and, as is stated in the last paragraph of the 26 October agreements, to achieve during the 1991-92 agricultural cycle the extension of that spirit of national consensus that the polls reflect: an approval rate of 87 percent.

No institution has more support from Nicaraguans than the national dialogue. Only seven percent have a negative or very negative attitude toward the national dialogue. Hence, we will open the second phase of the national dialogue with the participation of unions, businessmen, and the government, to evaluate the actions carried out over the past six months and determine where we stand and what will be done once we return from Paris with the overdue debt problem solved. We will directly inform the people, business sectors, and workers in the cities and rural areas about what happens in Paris. We know that we will bring good news. We know that the international community responded quickly and generously to the Nicaraguan people's efforts when we launched the "We Support the Cordoba" economic stabilization plan.

We will not name names because we do not want to omit any. However, absolutely all of the countries that will be present at the Paris meeting have been directly approached by President Violeta Chamorro and by other prominent world leaders, including U.S. President George Bush and former U.S. President Jimmy Carter, who have written very valuable letters requesting support from the international community to help Nicaragua solve its current situation.

We are also very happy with the support given by Hispanic countries like Spain, Mexico, Venezuela, and possibly Colombia, which will generously grant us a stopgap loan to cover all our needs once the total amount of aid is announced. In that manner, we will be able to pay the overdue debt in the 100 days immediately after the Paris meeting.

We will go to that meeting assured and confident that by helping us in this effort the international community will make it possible for the World Bank, the Inter-American Development Bank, and the IMF to disburse the necessary funds that will not only enable us to pay the stopgap loans, but also will leave Nicaragua with the necessary funds to begin the country's economic take-off in the first months of 1992.

We must combine democracy with progress. We must make the Nicaraguan people, who have never managed to combine the two realities of democracy and progress, realize that the combination of these two factors will move our country forward and establish democracy in Nicaragua forever. Democracy and economic progress. One without the other will take us nowhere.

I believe this concept is becoming clearer each day in other parts of the world because although some regimes have succeeded in giving their citizens some economic progress, they finally collapse because they deny them democracy and liberty. On the other hand, there have also been very democratic governments that have also collapsed because they have not been able to solve the people's basic economic needs.

In Nicaragua on 25 February 1990 the people elected this government to change things. According to the surveys, what had to be changed was clear: the war, the lack of democracy and liberty, and the economic crisis. However, if solving one of the problems—as we have done so far by ending the war, installing a real state of law, and implementing broad liberties —is not accompanied by real economic progress, we will simply collapse. Nicaragua would return to who knows what type of regime, which we hope God will not permit.

That is why, I repeat, we will go to the Paris meeting, certain that after the Washington meeting and after confirming the advancement of our economic program, after confirming that this advancement has never been at the expense of the national reconciliation process but has even helped to strengthen it, and after learning about the clear economic and legislative results, the international community will support us. This is what we have told our workers, businessmen, and people. We have scheduled a meeting on 21 May to inform them about what we are confident we will bring all of you after the meeting in Paris. Thank you.

Wheelock Outlines FSLN Draft Program

PA1105182491 Managua BARRICADA in Spanish 7 May 91 pp 4, 5

[Interview with Commander Jaime Wheelock Roman, chairman of the Commission in Charge of the Draft Principles and Program of the Sandinist National Liberation Front, FSLN, by BARRICADA in Managua—date not given]

[Text] [BARRICADA] It is believed that the draft program is opportunistic and does not define strategic goals. What do you think?

[Wheelock] It is possible; but it is actually a strategic opportunism. Nicaragua's destiny is at stake. The reply we may give today to the problems and the correlation of forces in the game will decide if the revolution stays or if everything is lost.

Furthermore, we have consulted with the people and they advocated a program that represents the FSLN proposal for solving the critical problems that the people currently face—rather than a program solely for the FSLN.

A struggle is being waged in Nicaragua today between those who want to grab the opportunity created by the FSLN electoral defeat and return Nicaragua to the past, to destroy everything we have built, and those who believe it is necessary to build, correct, and improve on what has been built. Whoever wins the hand today will decide what will be done in the long run. That is what the Draft Program focuses on. It is a matter of being opportune, rather than "opportunistic."

I think some people expected us to draft an ideological program. Others expected us to draft a long-term program and some even expected us to draft a struggle plan.

We opted for a balanced document which includes elements of the program of FSLN principles; which shows our views on mid-term solutions to problems, even though we live in a different world nowadays; and which includes quick ways to counter the government policies.

[BARRICADA] The document includes aspects about FSLN principles, program, struggle plan, and an assessment of the last 10 years....

[Wheelock] The document does not try to follow a formal pattern, an Aristotelian pattern: only what is valid from a Sandinist tradition, our alternatives for mid-term solutions, and the guidelines for our short-term struggle. All this is organized according to a certain logic that is determined by the demands and needs of this crucial moment.

The essential direction of this program is linked with the current Nicaraguan agenda. Contrary to 1969, this is a program which seeks:

—First, to complete the peace process;

—Second, to defend threatened revolutionary achievements;

—Third, to achieve an economic recovery that benefits the people;

—Fourth, to achieve a democratization to benefit the masses.

These are the four essential elements that prevail in the order and contents of the program. The chapter referring to economy is, according to many, intermingled; but it is organized according to the importance and urgency of the programs it reviews.

Economically speaking, we must first solve the current crisis and then think about development. There is a prioritized order within the plans to solve the crisis.

The FSLN proposes the following steps to face the crisis, overcome instability, and to increase production:

1. To give security to owners being threatened with losing their property to favor those who have received property titles, that is, the peasants, the cooperatives, and state property. Without this security there cannot be economic recovery. It is urgently necessary to safeguard the current property structure, which is favorable to the people.

2. A special program to create jobs. Unemployment is a problem, but for 60 percent of the Nicaraguan people it represents the biggest economic problem.

3. To maintain the production of staples.

Our program then expands on how to produce economic recovery and growth. The same subject is discussed in the chapter on democracy and peace.

The first issue we discuss is Nicaragua's immediate needs:

The first point is that war must never return to Nicaragua. This is essential. In the program we explain how to secure this.

The second point is to support the efforts in favor of the reconciliation of the Nicaraguan family.

These two points are contingent on each other but for Sandinism and the people they are essential.

Then we present mid-and long-term propositions: that Somozism is not allowed to return and that wealth and income be equitably distributed among the Nicaraguan families. We put in first place that which deals with pacification; we place in second place everything that has to do with stability; and then that which has to do with recovery and democratization in the country.

Since this is a program that has to serve as our action platform for the next 3 or 4 years we, without trying to be philosophical, favor this type of presentation, which follows the same simple structure of the historic program of 1969.

[BARRICADA] This bill defines itself as one that is more political than of an ideological nature. What are the connotations of this?

[Wheelock] This proposal is aimed at the Nicaraguan people. We are not looking for artificial or provoked differences. We are looking for points of coincidence. Generally speaking, ideology demands that people identify with others to such an extent that this identification does not always cover all the social sectors, and we want all the sectors to support the front and to help resolve the problems the front is trying to resolve. Thus, this is a battle program aimed at uniting all the people in the search for their dearest interests. This program must also help the front rebuild the backing we lost during the 1990 elections.

[BARRICADA] What are the strategic changes being presented in the program draft?

[Wheelock] As I said before, this is not the program prepared by the guerrilla organization of 1969. For 10 years we fulfilled many points of that program but now the context is one in which the FSLN proposes, on the one hand, to defend what has been achieved and, on the other, to improve what has been achieved. It also aims to strengthen revolutionary gains. The Sandinist front made much progress in the democratization of national wealth and property, for example. We made changes at the roots, but because of lack of time and the aggression we endured, we were unable to make the changes impregnate the political structure. Now we are making a new proposal for progress and democratization.

[BARRICADA] What would that proposal be like?

[Wheelock] I would say that, politically speaking, the essential, transformational component consists in that, after 10 years of deep changes, Nicaraguan society is pluralistic. The economic and political power is spread among numerous institutional and civilian forces. In other words, no one controls power absolutely. The control is spread very democratically. The Armed Forces do not hold the same power here as other Armed Forces do in their countries. In fact, the Nicaraguan Armed Forces hold less power today than two years ago.

We acknowledge this reality as the basic requirement for a genuinely democratic government. It is not enough to believe that democracy is the separation of the powers or that it is the empire of the law. In a democracy, the majority of the people can effectively assert their interests based on their own political power.

The FSLN intends to encourage this stand with this program, which states that we are an organization of the people that encourages and stimulates the people's ability to exert their democratic rights, even by giving impetus to measures that the government can transform into decisions. This is why we recognize that, in the democratic society, the opposition is also a form of power regardless of being in power or not.

From a long-term viewpoint, we think that the forms of ownership existing in Nicaragua should be respected because they guarantee the operation of democracy. It would be a very serious error for privatization to favor oligarchic sectors, restore the Somozist economy, and return property to the minority.

[BARRICADA] What would be the FSLN's role?

[Wheelock] The Front should not only strive to return to government. The FSLN is not only an electoral party; it is a struggling party seeking to improve democracy. An essential role is played while both in the government and the opposition.

Democracy does not consist of a vanguard, upright, and strong party or having a democratic society with powers and laws. The nation's rank and file should have reinforced instruments and conduits broad enough so that the people can play an active role in the construction of the society and the defense of its rights and achievements. We will not wait until we are back in government in 1996 to defend the revolution.

We will not wait until we are in power to present an economic alternative to the people. No. We are, as of now, proposing an alternate solution to the economic problem based on the premise that the first thing to do is to solve economic insecurity. Second comes the problem of immediately combatting the effects of the economic crisis. An overall solution would be to respect the ownership of property by the families that benefited by the land distribution policy; those whom we gave commercial, artisan, small-, medium-, and large-scale industry ownership in a drive to redistribute the country's natural and economic resources.

[BARRICADA] And what about later?

[Wheelock] This should be strenghtened and, based on it, we should propose the recovery of production by first promoting the export sector. But this sector should not be the large private export sector of the traditional economy of Somozism; it should be the peasant, the artisan, the cooperative, the workers associations, the businesses that are run by thousands of citizens. This sector should be composed of the new class of individuals created by the Sandinist democratic revolution.

It is important that, to achieve the recovery of production, we guarantee that foreign investments come to Nicaragua. However, these investments should be aimed at strenghtening a democratic economy, a popular economy, and not to weaken the existing ownership structure, which is the only one that can ensure growth and stability in Nicaragua. It is even necessary to expand agrarian reform.

We should take into account the medium-sized and informal sectors that exist in the country, and we should introduce training and financing programs, as well as programs for organized reentry into the internal and international market. This really represents an enormous

potential for production, which is now sitting idle. We propose solutions in the program, that there are popular viable alternatives.

[BARRICADA] What does the FSLN propose as the main center of political cohesion?

[Wheelock] We propose to defend our accomplishments. Now, what accomplishments? One of the main political accomplishments of the FSLN is that Somozism will never return. We eliminated Somozism as an evil trend that had taken root in Nicaragua; and we also broke with the Somozist concept of the historical parallels, giving rise here to political pluralism. That is a fundamental element. Other important elements are the agrarian transformations and the state's trasformations. All these elements should be defended.

The economic recovery will begin when we face the crisis...How are we not going to include this in our program? Now, I want to reiterate the following: This document is the FSLN program, planned within the framework of a transition period, at a time of large structural and tectonic movements, both in the world and Nicaragua. It would be inappropriate to present some high-level philosophical document, when the future structures that will prevail after the document are at stake.

We should be clear that we are now in the opposition and, probably within six years, we will present an electoral struggle program, typical of an opposition that is ready to advance.

[BARRICADA] Are the principles of the FSLN program brief?

[Wheelock] The principles are not many. The whole doctrine of Christianity could be summarized in one principle. However, the Catholic Church has five precepts. We garnered the social historical Sandinist principles in the program. We did not include principles of behavior, which are more like statutes—modesty, sacrifice, etc. What are the principles based on?

The principles are first based on the existence of Nicaragua, and that Nicaragua exists as a free and independent state, not like Puerto Rico or Panama. We risked our lives fighting for sovereignty. This principle is not shared by all politicians; an example of this is the government's recent stand before the U.S. Congress. We fought for the national sovereignty and the existence of Nicaragua, but of a Nicaragua where all citizens, from the peasant to the businessman, have the same rights and share the sacrifices and the benefits of national wealth.

It is not a naive sovereignty, rather a sovereignty with a popular sense. This principle also defends the political and social achievements that are entrenched in the conciousness of the people. We also reiterate that according to this principle, there is room for everyone in Nicaragua. We inaugurated the principle of tolerance and flexibility here and, on the economy, we support pluralism.

In the political aspect, we say we have to be pluralist. At the international level, pluralism and tolerance, as well as flexibility, are the principles of nonalignment. We included two additional elements in this program: The people should remain united and act as one. This is why this program looks for the cohesion and unity of the people, because without them our struggle and what we have accomplished will be lost and Sandinism will be a chapter of history.

Our principles concur with the idea of fatherland and citizen: To have a Nicaragua with social justice, where we can all achieve our goals as brothers, united within Nicaragua but espousing an ideal of solidarity abroad.

[BARRICADA] Why are the two first statues that define the FSLN as a revolutionary and anti-imperialist party not listed in the principles?

[Wheelock] I believe that the FSLN characterizes itself in the statutes. In the program Sandinism makes a proposal to the people that is different. By consulting the historic program, we see that the FSLN defines its struggle as basically anti-imperialist. In the historic program the struggle is against the dictatorship and against any form of imperialist intervention. That is precisely what we have in the program. If we wanted to please a few that like the phrases, we would have included them. This, however, is not the case; we need to include what is necessary and objective.

The program plans for the FSLN to wage an anti-imperialist struggle the world over; we are going to wage it in Nicaragua. In other words, this is an anti-imperialist program, because it deals with the problems imperialism has created in Nicaragua, although it also quietly states its support for the people's causes.

Sandinist ideas and the ideology we profess are not under discussion in the program. What we propose is a definite program, to begin full work tomorrow on what we should and can do without, of course, surrendering our revolutionary ideas, our doctrine, or our way of seeing the world.

We favor a noncapitalist alternative. In fact, we favor the development of a socialist society, but in an adequate, political, and realistic manner. As a party that has a long-standing responsibility, we should know how to guide our progress in accordance with the people's socioeconomic standing and traditions and in accordance with international changes and conditions.

In other words, socialism for us is an ideal, not a dogma; the socialist ideal should remain as something intrinsic to our revolutionary culture. We are not going to make the mistake of turning that ideal into a program of artificial procedures or stages. This program, if you will, is our doctrine-like interpretation of the current situation. It is not a confession of faith, but an instrument for the unity and for the struggle of all Sandinism within the extraordinarily complex and fluid period we are currently experiencing.

Panama

Endara Denies Reports on Amount of U.S. Aid

PA1405032491 Panama City EL PANAMA AMERICA in Spanish 13 May 91 p 1

[Article by Eduardo Soto]

[Text] President Guillermo Endara denied international news reports yesterday that Panama has received more than $1 billion in aid over the past two years. He noted that, on the contrary, U.S. "aid has been lacking."

"I do not think we have received so much," the Panamanian president said. He stated that the person who knows this for certain is Comptroller Ruben Dario Carles.

According to the Panamanian president, there are funds for Panama that are "pending" delivery by the United States, in keeping with the latest trade agreements signed recently.

International news dispatches reported that Panama ranks first among the American countries receiving economic aid from the United States, and ranks third in the entire world after Israel and Egypt.

According to these reports, this Panamanian Government has received more donations from the United States than all donations received by Panama from U.S. organizations in the preceding 38 years.

These funds, according to news reports, were intended to aid the homeless in El Chorrillo, create jobs, implement food programs, train the new Panama police force, and reactivate the private business sector.

President, Comptroller Cited

PA1405043191 Panama City Circuito RPC Television in Spanish 2300 GMT 13 May 91

[Text] President Guillermo Endara Galimany said that dismissals in the public sector are necessary for the well-being of government institutions.

[Begin recording] [Endara] At a cabinet meeting, we asked Mr. Ford to negotiate this so it will be done very rationally. This means that an organization that has excess employees must be streamlined. It is not a question of reducing personnel just for the sake of making cutbacks.

[Reporter] Is this due to pressures?

[Endara] No. I believe that reducing the number of employees where necessary is just efficient administration.

[Reporter] International wire services are reporting today that Panama is third in the world in the amount of U.S. aid received. Do you have any comment?

[Endara] I am not prepared to answer. The United States has been very generous with us but there has also been some aid lacking.

[Reporter] What sort of aid?

[Endara] There is some aid pending from the treaty we signed the other day.

[Reporter] Is it true that we have received $1 billion?

[Endara] I do not think it is that much. You may, however, ask the comptroller general, because he is the person who handles these figures.

[Reporter] Is it true you have considered a constituent assembly?

[Endara] No, never. [end recording]

Meanwhile, Comptroller General Ruben Dario Carles said he believes the United States has kept its word, but the problem is how we use these U.S. donations.

[Begin Carles recording] The United States has not failed us. The problem is how we use these funds now and in the future. [end recording]

The comptroller general also referred to the intended strike by Santo Tomas Hospital and INAC [National Culture Institute] employees to protest the bureaucracy at the Comptroller's Office.

[Begin Carles recording] It is not the fault of the Comptroller's Office if funds are not allotted. The Comptroller's Office does not prepare the payroll or make purchases. All we do is oversee that everything is done properly. About the INAC, I do not know, so I would have to inquire. If you come back tomorrow I will tell you. I believe people sometimes make baseless complaints. If there are problems, then we need to find solutions. People sometimes complain because they have not been paid their fringe benefits, which do not depend on what I budget for. I can assure you that the problem will be solved. There seems to be no grounds for complaint. [end recording]

Ford Says State Employees Not To Be Dismissed

PA1105195291 Panama City LA PRENSA in Spanish 11 May 91 p 1A

[Article by Elkilia Santos]

[Text] Guillermo Ford, second vice president and planning and economic policy minister, who on his return to the country refused to give information regarding the foreign debt negotiations he held in the United States, has said the government will not dismiss 19,000 public employees.

Ford, who spoke to the media before dozens of supporters who received him at Tocumen airport yesterday, said he has signed nothing behind the backs of the

Panamanian people. He added that he was bringing a complete report to President Guillermo Endara, which will later be made public.

According to Ford, his two-week trip to the United States to discuss Panamanian foreign debt was very beneficial.

Ford announced that President of the Inter-American Development Bank Enrique Iglesias will visit Panama in July to explain to the people what Ford did in the United States.

According to Ford, the greatest achievement of his trip was to get appointments for Panama with the IMF, the World Bank, the Inter-American Development Bank, the Department of the Treasury, the State Department, and AID.

Ford said public employees can sleep tight, because, according to him, it is totally false that the Panamanian Government will dismiss 19,000 public employees.

As for reports published in the local media saying that Panama will have to pay millions of dollars to international credit agencies in the next few days, Ford said: "What has been done is a hodgepodge of figures," which he will clear up at the proper time.

In addition, he said that in the next few days he will explain to the Panamanian people what will happen in Panama if the economic program is not implemented and if commitments to international organizations are not met.

Finally, Vice President Ford sent a hug to President Guillermo Endara and Vice President Ricardo Arias Calderon on the occasion of the second anniversary of the attack launched against them by Noriega's paramilitary at Santa Ana Plaza.

Endara: Dismissals Expected

PA1305160091 Panama City EL PANAMA AMERICA in Spanish 13 May 91 p 1

[Report by Eduardo Soto]

[Text] The public sector dismissals proposed to Panama by international credit institutions will have to be implemented "for the sake of the institutions," President Guillermo Endara said yesterday.

Contradicting recent statements by Vice President Guillermo Ford, Endara said the necessary reductions will be made in government agencies.

On returning to the country Guillermo Ford, who traveled last week to the United States to renegotiate Panama's foreign debt, requested public employees to "have faith and sleep peacefully," because the dismissals demanded of Panama by the international banks would not be implemented.

Meanwhile, Endara said that Panama, "for simple public administration" reasons, will have to reduce the payrolls of the offices that have excess personnel. He explained that this will be done to ensure the efficiency of these institutions.

The World Bank recently proposed that Panama dismiss 19,000 employees as well as privatize some state-owned companies so that the country can become elegible to obtain new foreign loans.

Endara stated that the Cabinet Council had asked Ford to deal with the "issue of the dismissals" with the international financial institutions in order to implement this measure "in a very rational manner."

President Endara is scheduled to preside over a Cabinet Council meeting today, during which Guillermo Ford, who also is planning and economic policy minister, will explain the results of his recent meetings with representatives of international financial organizations.

IRHE To Reduce Staff by 1,030

PA1105143991 Panama City EL PANAMA AMERICA in Spanish 10 May 91 p 1A

[Report by Orlando Mendieta and Carlos Vargas]

[Text] Gonzalo Cordoba Candanedo, director general of the Institute of Hydraulic Resources and Electrification, IRHE, announced yesterday that approximately 1,030 employees of that government institution will be dismissed in the next few days to comply with World Bank demands.

Cordoba made the announcement during the presentation of credentials to the Legislative Assembly's Credentials Committee for his ratification as IRHE director.

During a news conference held yesterday at his office, Cordoba admitted that the institution has more employees than it needs.

Cordoba said that his administration is currently studying the demands made by international financial institutions.

"There are areas and departments within IRHE where employees have nothing to do," Cordoba stressed.

He noted that the payroll includes auto mechanics and that security guards are trained, "which are not within IRHE's functions."

"After 20 years of inefficiency, many people find it difficult to understand that we cannot continue this game," Cordoba said.

There are 4,873 employees on the IRHE payroll who are the main breadwinners of their families. To comply with the demands made by international credit organizations, almost one-third of the labor force would have to be dismissed.

Last March, the World Bank recommended to the Panamanian Government the dismissal of 19,000 public employees, the privatization of 11 enterprises, and the closure of three others.

Cordoba also said it will be necessary to purge the institution because there is a certain level of corruption.

He noted that some employees are receiving salaries that are not commensurate with their positions.

According to Cordoba, the hydroelectrical plants of the national electricity system did not receive any maintenance in 14 years because the funds were used for politics.

He warned that this situation could leave the country without electricity in the next few years.

Cordoba said the private sector owes the institution 76 million balboas, while the government sector owes 72.8 million balboas.

He disclosed that some private enterprises individually owe more than 1 million balboas and that communities such as Curundu owe IRHE 90,000 balboas.

In that regard, he said that a list of private enterprises that owe IRHE will be published in the next few days.

He added that a broad plan of electricity cuts will be implemented throughout the country in view of the large sums owed to the institution.

Cordoba presented a draft bill to the Assembly, which stipulates a sentence of six months to 2 years in jail for anyone discovered with illegal electricity connections.

Cordoba reported that there are private enterprises engaged in the business of reconnecting users that are disconnected from the system because they owe large sums to IRHE.

Ford Interview on U.S. Trip

PA1405043291 Panama City LA PRENSA in Spanish 12 May 91 p 27A

[Interview with Second Vice President Guillermo Ford by Betty Brannan Jaen at the Panamanian Embassy in Washington, D.C. on 3 May]

[Text] [Brannan Jaen] Mr. Vice President, what is the purpose of your visit to Washington?

[Ford] We are in the final stages of negotiations with international financial institutions, the so-called IFI's. We have approximately 14 months of: 1) work to reorganize our economic program in Panama; and 2) discussions to reach an agreement. 3) We have also been dealing with a support group that will help us repay the arrears we have had since December 1989, and which has already been formed, and 4) we have successfully negotiated an agreement with the Paris Club on bilateral debt between countries. It has already been negotiated, but we have until 30 June to sign the document.

The time has come for us to draft the entire package. Without a doubt, there are still a number of points on which we have not reached agreement and many points that I must raise with the cabinet so a decision can be made. I hope the Panamanian Cabinet can make the decisions to secure the package so that we can normalize everything by July.

[Brannan Jaen] An economist who wrote for LA PRENSA has suggested that Panama repurchase the foreign debt at a very low rate, for example, at 20 cents per dollar or at a similar rate.

[Ford] There are four types of debt, and we must be very careful. We have the debt with the IFI's. That is one type of debt in which nothing is condoned, not the interest or the capital. We simply must pay and implement an economic reform plan.

We have a debt with international private banks. There we can repurchase, renegotiate, and even establish new mechanisms such as the exchange of debt for the care of our ecology. That is what the economist was referring to because this debt can be repurchased, and the price of the Panamanian debt has been fluctuating between 12 and 15 cents per dollar of the face value.

We also have a debt with the Paris Club countries; we are holding talks with a few countries, which are open to an exchange of debt for the the care of our ecology. We are studying that and it would be a great advantage where they would actually be donating funds that we would be investing in our own country.

The fourth type of debt consists of bonds.

[Brannan Jaen] Mister Vice President, much criticism has been expressed about Panama not having an economic recovery plan. How do you respond to this criticism?

[Ford] Very easily. Those with vested interests wish to maintain the status quo. Those who criticize know perfectly well that there is an economic plan that will be implemented, no matter what, if the Panamanian economy is to be renewed and boosted.

Let me give you an example. We are talking about free trade agreements, for example, with the United States, or of an open market that could be implemented from Canada down to Argentina. If certain adjustments are not made in import tariffs, Panama will simply be left isolated. To the degree that import tariffs are not lowered, we will gradually be cutting ourselves off from these possible "free trade agreements." [preceding three words in English] What is also being sought is for industry to become as efficient as possible to compete with products from other countries and for consumer prices to drop. Protectionism does not result in lower prices for the consumer. Competition is what reduces consumer prices.

We then have two alternatives. We either have a highly protected country so that industry grows exclusively to serve an internal market of 2.2 million Panamanians, or we break the tariff barriers and open the market to sell to other countries. I realize this is a bold move, which may have some short-and medium-term effects; I understand this perfectly. However, not doing so will be completely negative for the country in the long run, especially for the industrialists.

[Brannan Jaen] Your economic plan is also being criticized because it does not seem to create jobs.

[Ford] Demagogues and those who do not want the changes say that. What must be understood is that this economic package must not represent sacrifices for only one group. The plan must be accompanied by at least the following: tariff, tax, and Labor Code reforms made at the proper time and, most importantly, state-owned companies becoming highly efficient enterprises.

Industry has every right to say "you can lift the protection, but electricity is too expensive in Panama." It is the government's duty to become more efficient and to lower the price of electricity so that they may compete with foreign products.

[Brannan Jaen] I cannot let this opportunity pass without asking you about the political situation in Panama. How do you view the political situation? How do you view the present situation, the break in the government alliance, and the position of your party, Molirena [Nationalist Liberal Republican Movement]?

[Ford] First, I was one of those who stated the need to maintain the alliance, because the alliance—and three men—were given a mandate to consolidate democracy. The two sides have their reasons. The two sides, of course, share the blame, and we cannot say that one side is more accountable than the other.

I said from the beginning that Molirena was elected to govern, not to be in opposition. The president knows that my post as minister is at his disposal the day he wants it.

Molirena is committed to the democratic ideal and will demand that the path to democratization be followed. I have asked the Christian Democratic Party [PDC] to support the good things that can be done. I believe that opposing everything just because one is in the opposition, is not very commendable. I continue to believe that they are sensible people.

[Brannan Jaen] There are those who say that, in the long run, the country will benefit because the PDC will be a reasonable opposition party. According to this theory, the PRD [Democratic Revolutionary Party] had a monopoly over the opposition and as discontentment toward the government grew, the PRD benefited. Now some say that the PDC will eliminate the PRD monopoly and become a more responsible opposition.

[Ford] With all due respect for the PDC, I do not like the use of the word "opposition" because the opposition has only one objective: to come to power. I do not believe one can take the position of destroying what the other side does because this will only harm the country. I would like to see the PDC as a prestigious and conscientious group that can serve as a balance for the mistakes the government makes, but I will not accept the term opposition. I cannot understand how a constitutional vice president of the republic can be an opposition leader.

[Brannan Jaen] Thank you, Mister Vice President, for your time and answers.

Endara Detained by Cattlemen, 'Not Feeling Well'

PA1405023191 Panama City Circuito RPC Television in Spanish 2325 GMT 13 May 91

[Text] President Endara announced today that national producers must first be protected before any imports are authorized. The president stated this during a meeting in Divisa with approximately 2,000 cattlemen from around the country. Several speakers addressed the chief of the executive branch and discussed the problems of beef prices, milk production, and cheese and corn imports.

According to Gertrudis Mitre, president of the National Cattlemen's Association, the cattlemen insist that the problem with meat prices is caused by intermediaries who work in air-conditioned offices and who, without risking much, keep most of the profits from the businesses.

President Endara said no corn and milk imports will be allowed while producers ensure that the market produces the necessary corn and milk for internal consumption.

[Begin Endara recording] One thing is correct. No import permit should be authorized in Panama until the purchase of all Panamanian products is guaranteed. [applause, shouts] So produce milk because no milk will be imported until the Panamanian milk is exhausted. [applause, shouts] Produce corn and sorghum because no corn and sorghum will be imported until all the Panamanian corn and sorghum is consumed. [end recording]

But the producers attending the Divisa meeting were not fully satisfied because they felt President Endara failed to give them a specific answer. When he tried to leave the premises, they detained him and his delegation, including ministers and legislators, for 30 minutes.

According to the report by our correspondent Melquiades Vasquez, the president's bodyguards had to take out their weapons to make way for President Endara. This provoked a strong reaction from the producers and a harsh dialogue between officials and producers.

The struggle between the authorities and the producers caused a traffic jam on the Inter-American Highway near Divisa; President Endara had to leave the area on foot. [Panama City ACAN in Spanish at 0036 GMT on 14 May reports: "On arriving in the capital, Endara

interrupted his activities because, as he himself conceded, 'I am not feeling well.' Endara spokesman Rene Hernandez confirmed this, noting that the president is resting at his home but will continue his usual tasks tomorrow."]

Editorial Scores Contradictory Remarks

PA1405041691 Panama City CRITICA LIBRE in Spanish 13 May 91 p 4

[Editorial: "Playing With Fire"]

[Text] This week will not be easy for our officials. After the euphoria of a sports victory at Revolucion Stadium, the government will have to face such thorny problems as the increase in the price of meat proposed by cattlemen and mass dismissals in the public sector that "will have to be done for the good of the institutions," as President Guillermo Endara noted, thus contradicting his vice president, Guillermo Ford.

There is growing concern among Panamanians over what is happening in high government circles, chiefly over remarks made by top government officials which are later contradicted. This situation diminishes confidence in those who guide the ship of state.

On returning from Washington, Vice President Ford told fearful government employees "not to lose any sleep" because he had not yielded to the pressures of international financial organizations that demand the dismissal of 19,000 employees. Still, 48 hours later, yesterday, President Endara stated that there will be dismissals in the public sector.

On the morning of 10 May, newsmen were assured that no safe-conduct passes would be issued to the criminals who had taken refuge at the embassies of Cuba, Mexico, and Peru. Later, however, the same government allowed four persons, who have been charged with murder and million-dollar embezzlement, to leave the country.

Although the president said he does not support an increase in the price of meat, cattlemen will meet in Divisa today to discuss a new marketing plan and will exert new pressures on the executive branch to get their way. Consumers do not feel optimistic because they know they have always paid for the increases promoted by cattlemen and middlemen.

While the people are told we are experiencing the most acute economic crisis, the Washington news media stated that Panama is the largest recipient of U.S. aid in this continent and the Third World, which means there is no explanation for the crisis (?) we are allegedly experiencing.

The government has not denied the ACAN-EFE dispatch, which, if proven true, places Panamanian officials in a vulnerable position, since they will have to explain where all the aid went, which taken all together comes to as much as $1 billion.

Panamanians are no longer seduced by sports glories because the time of bread and circuses is gone. During the military regime and the dictatorship that was the prevailing mood, and the people's attention was deflected for a long time with the joy of four world boxing champions and the feats of our jockeys at U.S. race tracks. The dictatorship's old ploys can no longer be used. To try it amounts to playing with fire. Anyone playing with fire will sooner, rather than later, get burned.

PDC Legislators, Corregimiento Deputies Meet

PA1305171991 Panama City MAGAZINE DOMINICAL EL SIGLO in Spanish 12 May 91 p 16

[Quotation marks as published]

[Text] Christian Democratic Party [PDC] legislators held a summit on 10 May in Las Cumbres, and on 11 May Panama Province corregimineto representatives held a meeting at the PDC's main office.

Both meetings, attended by PDC President Dr. Ricardo Arias Calderon and Secretary General Ivan Romero, had as a common objective greater coherence in legislative and municipal matters for the Green majority in the National Assembly. In addition to bringing up to date strategies to follow to conform to PDC guidelines in its role as civic democratic opposition to benefit the people, it was reiterated that PDC opposition will be "firm and coherent."

Reports were issued at the meetings on draft resolutions for laws and plans to benefit the community. Candidates for PDC corregimiento representatives were also chosen.

The PDC secretary general gave the corregimiento representatives the list of PDC members on record in each corregimiento. He suggested that in order to be closer to the people, "they establish contact through the party committees to invite the PDC members to participate in the various internal elections that begin on 27 May. The PDC secretary noted that this will strengthen the representatives "power of convocation," because "in the immediate future we will have to wage important battles to move public opinion toward defined objectives."

PDC's Cochez Criticizes Comptroller Carles

PA1105153191 Panama City LA PRENSA in Spanish 10 May 91 p 26A

[Article by Christian Democratic Party Vice President and legislator Guillermo A. Cochez: "Who Is Boss in Panama?"]

[Text] I know my criticisms create dislike on Balboa Avenue because I point out irregularities in the government, as the result of which Ruben Dario Carles, who was not elected, is the one who governs Panama. I know that some people are irritated at my calling general the person who holds the position of comptroller. I call him so because he wants to manipulate the president of the

Republic from his office looking out over the sea, just as the military did in the past from Avenue A. Although the subject has been touched on lightly, few know what general and Comptroller Carles proposed as a solution for the country's serious problems once the Christian Democrats were evicted from the government on 8 April. The proposal consisted of creating the position of "presidential delegate," an official to be designated by President Endara and who would assume the following responsibilities:

1. To represent the government in everything related to the Canal;
2. To handle everything dealing with relations between Panama and the United States;
3. To handle relations with the EEC;
4. To take care of everything related to the Japanese Government;
5. To supervise everything dealing with foreign investment in Panama;
6. To conduct negotiations with foreign corporations operating in Panama, such as the Chiriqui Land Co;
7. To direct the privatization of state-owned enterprises and properties;
8. To direct the implementation of multiple sector enterprises in Panama;
9. To act as liaison between the government and the Banking Association;
10. To look after the relations between the executive and the Colon Free Zone;

In addition, this "presidential delegate," "superminister," or, simply, "true president," would have these other functions.

11. To be the contact between the government and the business associations;
12. To conduct the government's effort regarding the initiative for the Americas, known as the "Bush initiative;"
13. To conduct everything related to the forest program;
14. To coordinate the relations between the executive and the legislature;
15. To coordinate the government's efforts abroad to recover properties that are in the names of General Noriega and others;
16. To act as liaison between the president and the Planning and Economic Policy Ministry;
17. To serve as liaison between the President and the Treasury Ministry;
18. To act as liaison between the president and the Labor Ministry;
19. To take care of everything related to the government's insurance policies;
20. To coordinate relations between the executive and the various public institutions;

I do not know whether or not this "presidential delegate" position would be assumed by Carles himself or if he offered it to Carlos Francisco Rodriguez, the first vice presidential candidate for ADO [Opposition Alliance] in 1984 and who was in Panama recently trying to help solve the crisis looming over the Endara government. Something is true, however. The mere fact that this proposal was made is an indication of what Carles thinks of Endara's ability to manage the country. I am fairly sure, however, that the proposal was accepted by President Endara and was not frowned on by those who thought that it consisted only of creating the position of head of cabinet (chief of staff) similar to the one that John Sununu holds in President Bush's government. Carles' proposal, which must have been recorded during some of the various meetings held at the Presidency on 6 and 7 April, also reveals what the comptroller thinks of his fellow party members of MOLIRENA [Nationalist LIberal Republican Movement] who are at the head of the Labor, Treasury, Planning, and Foreign Relations ministries. Carles used the position of "presidential delegate," obviously unconstitutional, as a sort of filter in the ministers' relations with the President. Carles evidently mistrusts all of them.

The country will soon find out whether or not these functions will be legally assumed by anyone. We know that Carles has already assumed some of these functions and many others, such as being virtually the true head of the police and the PTJ [Technical and Judicial Police], outside his legal jurisdiction as Comptroller. With these actions, Carles is tailoring his own Article 277 of the Constitution, just as Torrijos did in 1972.

IRHE Officials Discover 'Intelligence' Center

PA1005225391 Panama City EL DIARIO INDEPENDIENTE in Spanish 10 May 91 p 23

[Report by Josefa Cedeno]

[Text] Gonzalo Cordoba, general director of the Institute of Hydraulic Resources and Electrification [IRHE], has said that an intelligence and monitoring center was discovered by top IRHE officials on the seventh floor of the institute's headquarters in the Hatillo building.

The official added that a bag filled with money was also found. "It looked like a repression center," he noted. In addition, photographs and general information on all employees was kept there. It seems that a second or "ghost" payroll was still being used.

An IRHE spokesman ruled out the possibility that the installation was run by dismissed union members. Labor leader Isaac Rodriguez was not available for comment. The IRHE spokesman believes intelligence work was done at the time the union rebelled against the regime of Manuel Antonio Noriega. Information on the activities of union leaders, department heads, and different directors reached Noriega's office.

Cordoba talked about the need to rid the institutions of bad officials who are harming them, adding that international organizations have recommended 1,030 employees be dismissed. What do we do with these people, he asked, noting that there are departments where employees have nothing to do.

Former Official on Asylum, Country's Future

PA1105041991 Panama City La Voz de Panama in Spanish 0150 GMT 11 May 91

[Interview with former Democratic Revolutionary Party, PRD, legislator Luis "Lucho" Gomez by Baltazar Aizpurua in Panama City on 10 May—live or recorded; monitored in progress]

[Text] [Gomez] ...Panamanian patriots who believed in our innocence, and the Group of Rio diplomats and countries who believe in the Caracas convention, convinced them that they had to give us a safe-conduct. Nevertheless, we have not won a battle with this safe-conduct, we have only won one fight in the battle. Nothing in the country prevented us from escaping at any time. We stayed at the residence because it was a matter of principle to prove to the world, Latin America, the Group of Rio, and the Panamanians that we were innocent. We had to win the battle for the safe-conducts.

That is why we stayed at the residence for 17 months and that is why we sometimes agreed to testify, because we wanted to prove that this was a political persecution, and that legal tricks were being used to discredit a Democratic Revolutionary Party [PRD] leader.

[Aizpurua] Lucho, we agree with that, but we must add that now the party and the Panamanian people must struggle for the return of all the political refugees. The party must prove their innocence and the political persecution waged against all the patriots, and it must continue the struggle for a true democracy in Panama and the return of all Panamanians living in exile. I have a question: What will be your political future be, given that we—and many people—consider you to be a man who fights for the causes of national liberation? My specific question is: What tactics, what strategy, what position will Lucho Gomez adopt in the future?

[Gomez] I am a member of the PRD political commission. I am a Torrijist by conviction. I am a nationalist, a patriot, and I think that the country deserves a better fate. The country's dignity and sovereignty were trampled on 19 December 1989, and this cannot be forgotten. Our commitment will always be toward the people, our party, and Torrijos.

I must add that the effort exerted by the party, not only for this PRD member....[changes thought] I was the only PRD member among those who are, who were, in the diplomatic missions. However, our party has thought about all the other comrades who were in the other embassies—all of them, whether they were military, liberal, or regardless of their party affiliation—because the previous and current national executive council is guided by the same principle. It was necessary to protect the Panamanian people's rights.

Based on this principle, I have a commitment with the 20 December martyrs, just as I have a commitment with all the patriots who died in the national liberation struggle—led by Torrijos, the 9 January [1964] students, and that great Panamanian, Victoriano Lorenzo. We want to return to the country soon so that we can honor those people, those patriots, those Panamanians.

We do not want to leave the country; we would like to stay here; but some comrades, some friends have advised us to conduct an international mission. We must tell the world what is happening in Panama. I think this will be our task in the upcoming months. Meanwhile, we will wage a third battle. We will wage a third battle in court; we will defend all the cases—including those in which the charges were trumped up.

We will prepare ourselves to wage a peaceful opposition, an opposition that will fulfill the Panamanian people's expectations without servilism, without betraying the Torrijist principles, and without allowing foreign forces to decide the country's future. On behalf of that principle, on behalf of those martyrs, our future task is to return to Panama and continue our political work. The country should know that Panama will always be sovereign and independent as long as there are dignified Panamanians.

[Aizpurua] Lucho, I am pleased with your reply because we recently spoke with Major Gonzalo Chalo Gonzalez on the telephone. Chalo Gonzalez said that he thanked the PRD for its position and the struggle waged for the prisoners for a political amnesty, adding that he considered himself a PRD member. Moreover, he considered that all the Torrijists, whether they are military officers or not, should become PRD activists and struggle within the party for Torrijos' ultimate goal: The nation's liberation.

[Gomez] I think it is important to mention something, Baltazar Aizpurua. Throughout the 17 months we were in the embassy, we never agreed to leave through a political agreement. We fought in court to prove that we were not guilty of the charges against us. Many other Panamanians face a similar situation in that they are in jail and have been forgotten. They have been accused of terrible crimes but no court dares to try them. What do we inquire about those forgotten Panamanians? If the country wants justice, not vengeance, then the authorities must abide by the Panamanian laws. Those Panamanians who are still in jail should be set free because most of the cases are based on trumped up charges. Those Panamanians include Rigoberto Paredes, and Benjamin Colamarco. What have they done? Where is the evidence against them?

This should be quite clear: We are not fighting for amnesty. We do not want it to appear that we have reached an agreement with the government. That is not our position. Our position is quite clear. The PRD Political Commission's document clearly states our position. We cannot renegotiate the Torrijos-Carter Treaties. We cannot reach an agreement with a government that we cannot recognize because it was a government chosen on a military base.

We believe there should be agreement among Panamanians. We believe there should be peace among Panamanians. However, this does not mean that, to reach an agreement among Panamanians, we must seek out the North Americans to serve as judges and jury in our internal disputes.

This government must understand clearly that the country has never before experienced a situation like we have in the health and education sectors. The schools have been in terribly poor condition for the past 30 days. As a result of an agreement with the IMF, more than 20,000 Panamanians will be fired in the next six months just because we must save $540 million to amortize the foreign debt. They want to reduce the Social Security Fund's debt at the expense of our grandfathers, workers, and retired people. They want to reform the laws at the University to remove what Torrijos made, a popular university. They want to make it a university of privileges. Those who want to reform the university laws are not interested in improving higher education or the university's curriculum, but in deciding who will hold the rector's post. If they are serious, my colleagues in the assembly will surely realize... [changes thought] I say my colleagues because I was an elected legislator. The invasion and the revision of tally sheets that no one ever saw took the San Miguelito representation away from me. I won the election. My colleagues at the assembly must understand what is happening in the country, that they are in power today but will be judged for treason tomorrow if they fail to act as the Panamanian laws and the honesty of patriots demand.

[Aizpurua] Well, Gomez even shares the ideas we expressed on our radio program "Liberation Trails" about the doctored tally sheets that no one ever saw and which the Archibishopric kept, acting as an accomplice, and reportedly delivered to some auditors. And yet no one saw them. I would like to see them someday. I am sure they are well straightened out because they have not even been crossed out. That's how it is. Lucho, I will now ask you a very personal question. I understand this is the first time you have been sent into exile. I do not know how you feel about it but I would like you to tell us what your feelings are about having to leave the country like this.

[Gomez] I feel very optimistic. I am not marching into exile like some other people who are connected with the government at present. They went into a golden exile because they continued to receive government checks. I am not going into such an exile. There are people here who on numerous occasions entered an embassy in the morning and left in the afternoon. Nothing happened to them. There are others who never went into exile but have already been appointed to top positions with fat salaries. My position is different. I am not going into exile with millions of dollars that the national government had frozen in the United States and that a Panamanian citizen received underhandedly. Some day they will have to answer for this. I am going into a difficult exile because, as you said, we do not know what awaits us in the future. We are convinced that we will return to the country sooner or later. I will return with the conviction and the certainty that our people are right. I think that the famous phrase uttered on 9 January 1964 that what happened in Panama was a liberation has been proven to be an error.

[Aizpurua] That phrase was also said on 20 December.

[Gomez] Right. In a mass on 9 January, it was said that a liberation had occurred here. I think that those who were killed were freed from living this reality. They were spared from seeing how their education, health, and country are being destroyed. What liberation are we talking about? This country is militarily occupied. No serious Panamanian—he does not have to be a leftist—can deny that there are Yankee soldiers throughout the national territory. Their motorcades even have accidents on the highways. If you go to the mountains, they are there under the pretext of building roads in the so-called Roads 91. The only result of this will be that we Panamanians, in the year 2000, will ask them to stay in the country. This is what they are after. Is this the liberation we wanted? What just cause are they talking about? The country's economy and sovereignty are shattered. Our territory and the territorial sea are both controlled by U.S. troops. So, what just cause are we talking about when the invasion occurred on 20 December 1989? I think people must have learned the lesson just as we did. No one can escape such a lesson. We all learned this lesson. We are also part of the mistake, although Noriega was the excuse. We have paid a very high price for these mistakes. But we cannot go on living and speaking of these mistakes. We must correct our behavior. We Panamanians are the only ones in a position to find our way to unity, dignity, and Panama's sovereignty.

[Aizpurua] We thank our brother and companion Gomez with a strong embrace of goodbye for this conversation. He is leaving for Cuba with a safe-conduct, but promises to return. As usual, Lucho, until forever.

Envoy in Argentina Involved in Illegal Imports

PA1205213691 Panama City EL PANAMA AMERICA in Spanish 11 May 91 p 4A

[Article by Carlos Vargas]

[Text] Foreign Minister Julio Linares announced on 10 May that he has requested the return to Panama of Ambassador to Argentina Pedro Escalona Rios, who is involved in illegally importing cars.

Linares stated that Ambassador Escalona should be arriving in Panama today to inform the Foreign Ministry about the case against him.

According to Argentine judicial sources, an Argentine judge requested an investigation into "private agreements" signed by Escalona to sell three cars that were imported into Argentina without paying duty taxes for use by the diplomatic mission.

The Argentine judge, according to an EFE news agency report, said yesterday that the investigation established that the vehicles would be bought abroad by the embassy involved. In turn, the Panamanian diplomat would receive $93,000 for arranging the transaction under his name.

Pedro Escalona is a brother of Arnulfo Escalona Rios, vice president of the Legislative Assembly.

Argentina

Di Tella's Views U.S. Wheat Offer to Brazil

PY1405032691 Buenos Aires TELAM in Spanish 0138 GMT 14 May 91

[Text] Buenos Aires, 13 May (TELAM)—Foreign Minister Guido Di Tella today voiced "his concern" about the situation provoked by the U.S. offer of subsidized wheat to Brazil, an offer he described as "another example of the negative consequences stemming from the mistaken agricultural policies followed by both the EEC and the country of the north."

The foreign minister laid down the Argentine Government's position in an official communique released by the Foreign Ministry tonight after a one-hour meeting between Di Tella, U.S. Ambassador Terence Todman, and Agriculture Under Secretary Marcelo Regunaga.

Diplomatic sources said the tone of the meeting was "cordial, but firm" and that Foreign Minister Di Tella told Ambassador Todman that the Argentine Government "will use every element at hand to protect the interests of our country."

In the official communique, Di Tella adds: "We want to make it clear that we reject these trade practices, which are detrimental to our economy and to the well-being of the citizens of those countries adopting them." The communique adds: "When we reaffirmed our objective of seeking increasingly fluid, close relations with the group of developed nations we made it clear that we were so doing to focus our bargaining capability on topics linked to our true national interests."

Di Tella states: 'The policy of subsidies has distorted the allocation of resources in these countries, violating basic rules of competitiveness prevailing in the rest of the international community, and they have punished not only countries like Argentina—by affecting the terms of trade—but also the European and U.S. consumers themselves."

The Foreign Ministry communique ends by stating: "It is absolutely essential to put an end to these policies and the Uruguay round of GATT is an opportunity to do so."

After the one-hour meeting, Ambassador Todman left the Foreign Ministry without making any remarks. It was reported, however, that during the meeting, he made it clear to the Argentine officials that the United States did not intend to hurt Argentine interests. Todman's statement was reportedly based on the fact that the amount of subsidized wheat to be sold to Brazil will be over 2 million metric tons, an amount Argentina cannot supply.

Although Brazil has not yet responded to the U.S. offer of 700,000 [as received] metric tons, it was learned at the Argentine Foreign Ministry that Argentine officials are holding talks with their Brazilian counterparts about the damage this sale could cause.

More Reaction to Wheat Offer

PY1305203491 Buenos Aires LA PRENSA in Spanish 12 May 91 pp 1, 4

[Text] Officials of the Under Secretariat of Agriculture, Livestock and Fisheries have began intense negotiations with their Brazilian and U.S. counterparts in the wake of a U.S. decision to offer 700,000 tons of wheat at subsidized price to Brazil. The decision has caused indignation and surprise among local government officials.

Marcelo Regunaga, under secretary of agriculture, livestock and fisheries, said yesterday that the U.S. position, which can still be reconsidered or softened, is "an obstacle in the path of integration that Argentina and Brazil are promoting."

The official voiced his annoyance at the U.S. offer: "I feel terrible indignation against the U.S. Government, because that offer involves serious aggression against Argentina, considering that Brazil is a traditional market for Argentine grain."

Early in 1991, Argentina and Brazil signed a memo of understanding whereby the Brazilian Government promised not to buy farm products from countries that subsidized their exports.

Meanwhile, National Grain Board Chairman Guillermo Moore de la Serna and Alieto Guadagni, under secretary of international economic relations, have in the past few hours maintained intense contacts with their Brazilian counterparts and with Argentine Ambassador to Brazil Jose Manuel de la Sota.

However, it is too early to evaluate the outcome because the amount of the subsidy is not yet known.

Local sources have leaked that the subsidy will be $20 [unit not specified, which would force Argentina to reduce the price of the wheat that is still to be exported to Brazil by $10 per ton. "If they sell at $40 per ton, as they did with China, we are lost," he said.

Guillermo Alchouron, a former Argentine Rural Society (SRA) chairman, has said that in addition to the U.S. offer, there is a similar Colombian offer "for a smaller quantity of wheat," which is also being negotiated.

He said that the U.S. offer "has created a very complicated situation" for Argentina, like that which occurred during the "very bad" previous season. "We thought that it could not happen again, especially considering the Americas Initiative and the integration policy of President George Bush."

Even though he declined to comment on the attitude that Brazil might adopt, Alchouron expressed his fervent wish that the neighboring country "does not accept the offer, because it would cast doubt over the veracity of the integration process that we are promoting."

The rural leader, who described the U.S. proposal as "a bad step" within the U.S. policy, maintained that "the

Argentine Government should seriously speak with its U.S. counterparts, because these bad steps undermine the confidence that our people have placed in them."

"Today, after many years and with great efforts, Argentina is a friend of the United States. This type of measure, which is totally out of keeping with our current international relations, has made our people doubt the benefit of an integration policy," he said.

Grain Exchange chairman Jose Ramon Saez Garcia said he was "very concerned" about the announcement. "It is like a cold shower, just when we were speaking about integrating the market of the north with that of the south," he said.

Saez Garcia said he is confident that Brazil will comply with the master agreements that it signed with Argentina, despite the offer from the Bush administration, although he admitted that in the commercial area "there is no complete loyalty."

He said that Argentina and the other members of the Cairns Group—the countries that do not subsidize their exports—"was an ally" of the United States in the controversy with the EEC at the most recent GATT meeting.

In turn, Argentine Agrarian Federation chairman Humberto Volando said: "The U.S. attitude cannot be understood in the light of the integration policy that it has promoted."

Volando said: "Even though some countries interfere by subsidizing their farm exports in a secret way, we will continue to promote free and open competition, and fair play."

Peaceful Uses of Condor-2 To Continue

PY1305154291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1334 GMT 13 May 91

[Text] Buenos Aires, 13 May (NA) — Defense Minister Erman Gonzalez has announced that "all the installations and equipment" used for the development of the controversial Condor-2 missile will be placed under the National Commission for Space Research (CNIE) and will be used to produce a rocket capable of placing satellites in orbit.

Gonzalez defended the importance of continuing the project for peaceful purposes at a time when "a nonconventional arms project which could have provoked a regional imbalance" has been abandoned.

In remarks to AMBITO FINANCIERO while he was in London, the minister stated that now that we have deactivated the military aspect of the Condor-2 project we have the right to demand that neighboring countries follow our example." He stressed that Argentina "continues to try to develop satellite technology" and that to achieve this "we will make available all the Condor-2 installations and equipment to the CNIE," which is an Air Force organization that will now be directly subordinated to the presidency.

"It is important to retain the useful components, especially the trained personnel," Gonzalez stressed when he implicitly refuted reports of the total destruction of the plans and the equipment used to build the missile.

Gonzalez stated that in order to develop this project "we must sign agreements with other countries, but not necessarily with the United States," adding that "the schedule for dismantling Condor-2 began in May or June 1990 and that everything that was assembled or in the process of being assembled has been deactivated and the schedule will conclude when the CNIE is subordinated to the presidency."

Defense Minister Denies Country Lacks Defenses

PY1305214491 Buenos Aires BUENOS AIRES HERALD in English 13 May 91 p 7

[From the "Argentina in Brief" column]

[Text] (NA)—Defence Minister Antonio Erman Gonzalez said yesterday that the country was not defenceless and that the Armed Forces were completely loyal to the democratic government. Gonzalez made these statements as a rebuttal to Friday's [10 May] comments by Vice-admiral Antonio Mozzarelli, who said the country lacked proper defences to protect itself but stressed he did not want to give an "alarmist message." The defence minister said that military requests for pay hikes seemed like a legitimate request, although the Armed Forces needed to realize that the nation's revenues were limited. Gonzalez also mentioned that the future of the controversial Condor II missile project required "extensive and detailed debate."

Possible Armed Forces Leadership Change Denied

PY1405015091 Buenos Aires TELAM in Spanish 1523 GMT 13 May 91

[Text] Buenos Aires, 13 May (TELAM)—Defense Minister Antonio Erman Gonzalez has denied reports of possible changes in the Armed Forces high command. He said: "They are groundless. Neither the president of the nation nor the defense minister have any intention of changing the chiefs of staff."

Upon arriving at Ezeiza International Airport from Europe, Gonzalez talked with military leaders and then explained to the press that "this type of meeting is normal when the defense minister travels and one must not attach greater importance to the meeting than what it actually has."

Concerning the reasons for suspension of the Armed Forces high command meeting scheduled for this morning, Gonzales noted: "The president of the nation and I were perfectly aware of this meeting. The goal of the meeting was to thoroughly review the transition that

the Armed Forces are experiencing between the current structures and the reorganization that we must conduct."

Gonzalez added: "When the public became aware of this meeting, it began to take on a different aspect than the original one. The meeting began to be interpreted as deliberative, involving a probable proposal; in view of this, the Armed Forces themselves decided to suspend it." He said: "There are no deliberations against or pressure on the political power."

Discussing the adjustment of salaries in the defense sector, Gonzalez said: "Salaries are not a basic issue of the Armed Forces. We are aware of their needs. We know that their salaries are not keeping pace with those in other sectors. We will try to solve this in perfect harmony with the economic plan."

Gonzalez also dismissed the remarks by Vice Admiral Antonio Mozzarelli, the Navy deputy chief of staff, who said that Argentina was defenseless against a possible attack. Gonzalez explained: "It is one thing not to have optimal operational capability and quite another thing to say that the country is defenseless, an extreme that has not been and never will be reached."

Asked if that officer would be changed, as he also said that his salary was not enough to make it to the end of the month, Gonzalez pointed out: "That complaint cannot be considered a national problem. We must admit that the country is going through a crisis and he is not the only one who does not make it to the end of the month."

Naval Official Discharged for Public Comments

PY1405000291 Buenos Aires TELAM in Spanish 1849 GMT 13 May 91

[Text] Buenos Aires, 13 May (TELAM)—Navy Chief of Staff Admiral Jorge Osvaldo Ferrer today discharged Vice Admiral Antonio Jose Mozzarelli, Navy deputy chief of staff. Ferrer asked Mozzarelli to retire "for making untimely and unauthorized public statements without consulting with the Navy commander." Here is the text of the brief communique issued today by the Navy press office:

"Navy Chief of Staff Admiral Jorge Osvaldo Ferrer, in keeping with his powers and with the agreement of the executive branch, has discharged Vice Admiral Antonio Jose Mozzarelli, Navy deputy chief of staff, whom he asked to retire for making untimely and unauthorized public statements without consulting with the Navy commander."

Brazil

Minister Discusses Economy in Farewell Speech

PY1005181491 Rio de Janeiro Rede Globo Television in Portuguese 1419 GMT 10 May 91

[Speech by Economy Minister Zelia Cardoso de Mello on the occasion of the installation ceremony of her successor, Marcilio Marques Moreira, at Planalto Palace, Brasilia—live]

[Text] Mr. President of the Republic Fernando Collor de Mello, presidents of the national Congress, governors, Minister Marcilio Marques, Minister Joao Santana, Minister Eduardo Teixeira, ministers of state, secretaries of government, congressmen, ladies and gentlemen.

Aware of the effort and limitations that history imposes on men and women, I feel rewarded. Today's Brazil is very different from that of March 1990, even though it is still far from the Brazil we want.

Brazil is different regarding inflation. I took over the Ministry of Economy, Finance, and Planning when the annual inflation rate was about 150,000 percent. In the last 12 months the annual inflation rate was 350 percent, and now, the annual inflation is less than 100 percent. Industrial production, threatened by chaos before 15 March 1990, is now improving slightly.

Brazil is different, given the unusual fact that fiscal balance and monetary control have been achieved, an achievement that no intelligent mind can deny. In fact, from a situation in which the public deficit was 9 percent of the GDP, we achieved a surplus of 1 percent of the GDP, a level that has been sustained for the past 14 months. Our monetary policy, which did not exist under past conditions, and which may currently be the subject of controversy, has yielded results. The annual monetary base variation was 8,788 percent in April 1990 against 284 percent in April 1991.

Brazil is also different, given the implementation of an industrial and farming policy that has established firm guidelines for the future and that has opened a real possibility for a broad understanding among the government and the scientific, technological, and business sectors based on the opening of the economy to gradual international competition, which implies the development of national competitiveness.

Brazil is different because of the financial market reform. Financial speculation, which for a long time immobilized entrepreneurial initiative and concentrated our national income, has been replaced by mechanisms that create conditions for the reestablishment of mid- and long-term credits.

Brazil is different because of the ambitious and effective process of deregulation of economic activities and of the liberation of the entrepreneurial spirit. A broad and clear-sighted program to privatize public companies and a timetable to auction them in a sensible and clear manner has been established.

Finally, Brazil is different because of its approach to foreign economic relations, which is providing concrete solutions for the involved parties without giving away our national sovereignty. Our trade surplus has doubled from $600 million to more than $1 billion monthly. Our international reserves have increased from $5 billion to nearly $8 billion. In the end, we suspended the external moratorium through an agreement on our overdue debts

and through the establishment of negotiations for medium- and long-term goals.

Mr. President, the unequivocal progress achieved by our society is more important than the greater or lesser accomplishments of our economic policy. Brazil has discovered that citizen awareness is not a gift, but an achievement demanding effort and sacrifice and requires choice, losses, and compromises. It has discovered that a straightening of accounts with our past is the task of a generation and not of a few people, and it is increasingly discovering that there is a long line of challenges that must be faced by the whole of society through a consensus regarding the country we want.

One of the accomplishments of current economic policy is the disclosure of the difficulties that were created by years of lack of government for a country which, although still poor, needs to face the challenges and demands of a world in fast transformation. Let us not betray ourselves; the process of change has hardly begun. Economic imbalances resulting from the resistance of the privileged and of a few irresponsible people who benefit from the institutional fragility and misery, survive and threaten the consolidation of our achievements.

Since before this government took power, I confirmed the diagnosis that Brazilian inflation is the summary of our economic and social tensions. We have implemented the deepest economic reforms known in times of peace and under a democratic system. Without doubt, difficult decisions have been made, the hardest of which was the monetary reform, or the so-called retention of new cruzados. I can assert, without doubt, that the conversion of those values, or their liberation, is safe, given the current macroeconomic conditions. We intervened drastically during this past term and the Brazilian people were able to witness the reduction of the inflation rate.

Mr. President, I never minimized the pain caused by the process of combating inflation. On the contrary, I have always specifically stressed the fact that inflation enslaves the wage earner and that the only way to recover the real level of salaries is by restraining price increases to bearable levels and by creating conditions to increase productivity. Therefore, I do not understand monetary control and the control of public accounts as objectives in themselves; they are essential conditions to combating inflation. The painful effects resulting from such actions may be greater or lesser, depending on the reaction of those who benefit from inflation, of those who directly earn with inflation and who use inflation as a means of self-promotion, thus turning the people's desires into a fragile hope on its way to disenchantment.

Mr. President, I have listened with great concern to expressions by personalities from the widest range of schools of thought, politics, and ideologies attacking the general guidelines of the current economic policy. From their comfortable position as critics, they are ignoring the progress achieved so far. They are underestimating the difficulties of administering a country which—we must say—we found in shambles, trapped in an extremely serious fiscal crisis, and in a deep credit and investments crisis, an inefficient country with deep social disparities. I must add that the critics do not suggest alternatives and when they criticize, they ignore the nation; their solutions are meant for some sectors that may have prospered in the past few years.

I refer specifically to the proposals for the reindexation and dollarization of the economy. First, the measure would only benefit those who have jobs and would overlook the 50 million Brazilians who are not part of the productive and labor markets. The reindexation also ignores the undeniable erosion of salaries after 25 years of indexation.

Second, the measure seeks to restrict the Brazilian economy to the export sector. To adopt it would be to take a backward step that would destroy the economic achievements of the last 60 years and it would benefit only a few.

I am concerned, Mr. President, about the incapacity of our elites to discuss—objectively and frankly—the Brazil we want and must build. As a tool and a symbol of changes, I have always placed myself at the service of the country and of a lawfully elected administration. Unfailingly, I will continue to seek solutions to the most varied problems. I reassert my belief that the path that leads to our future must be based on a broad national accord. Therefore, in view of the increasing controversies about my performance as economy minister, and the incompatibilities that are known to all, I could adopt no other attitude: I had to place my position at your disposal. As a result of my firm convictions, I tendered my irrevocable resignation to you during one of our usual working meetings on 6 May. Ever since, I have been waiting for the appointment of someone to replace me. This is what we are doing now, in a peaceful manner.

I must point out, Mr. President, that it has been an honor and a privilege to cooperate with your presidential campaign and with the first 14 months of your administration. I want to reiterate my appreciation of your qualities, my respect, my fondness, and my faith on your ideal of changing Brazil. I want to thank you for your confidence in me, for your support, for your affection, and for your courage in supporting the measures I implemented and for which I claim absolute responsibility. Only thus, can I leave the Economy Ministry the way I joined it. With my head held high and with the certainty that I have done my duty.

I want to pay respect to the legislative and judicial branches. Their performance inspired my desire to reiterate and strengthen my commitments to the institutions and my belief in democracy.

I want to pay respect to my team, to my Economy Ministry colleagues, and to my advisers who, through their loyalty, skill, devotion, and public-spirited behavior, have proven that it is possible to administer public interests responsibly and seriously.

I want to pay respect to the public employees and to the Brazilian people in general for their courage in the harshest moments. I want to thank them for their understanding and support of the measures I took at such a serious moment in our history.

I want to pay homage to Brazilian women, and thank them for the affection and support I received from the people during the frequent occasions when my private life was violently attacked.

I wish Minister Marcilio Marques Moreira success in the hard task that he is now undertaking. I want to express my wishes that the president of the Republic succeed in interpreting the yearnings of the Brazilian people. I am sure that the Brazilian people will not give up their role in building the nation Brazil deserves to become, and that they will continue to support the president and his administration. Thank you very much. [applause]

New Minister Speaks

PY1305141891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 91 p 12 Economic Section

[Speech by Marcilio Marques Moreira, economy, finance, and planning minister, at the Economy Ministry on 10 May]

[Excerpt] Your Excellency Mr. President of the Republic, Your Excellency Mr. Chairman of the National Congress, Minister Zelia Cardoso de Mello, Infrastructure Minister Joao Santana, ministers, government secretaries, congressmen, ladies and gentlemen.

I am very honored to have been chosen by the president of the Republic to head the Economy, Finance and Planning Ministry. Motivated by the pride of being Brazilian and by the wish to continue to serve the country, I have accepted the position. I have tried with all my ability to be worth of your confidence, Mr. President. I will closely follow your request to make specific the basic ideas of the government program that your excellency presented to the nation during your installation speech on 15 March 1990.

In the Project for National Reconstruction you established the guidelines for a modern liberalism with a strong social consciousness that meets the aspirations of the Brazilian society. It meets the aspirations of workers, businessmen, and above all, the citizens who seek a fraternal common welfare. The full democracy experienced in the country ensures harmony between Brazilian society and the government plans.

Like Your Excellency, I am a liberal because I am deeply convinced that political freedom and economic freedom are closely related. I am a liberal because I believe that everyone must have a standard of living that entitles him or her to fully enjoy freedom, citizenship, and all other rights as human beings.

Just like Your Excellency, I am convinced that national development can only be achieved through the incorporation of Brazil into the international community in a modern and sovereign manner. [passage omitted]

IMF Welcomes New Minister

PY1005152891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 91

[Text] The IMF mission visiting Brazil has suspended the contacts that were being established regarding negotiations of a new agreement. The mission is due to return to Washington next week.

IMF mission head (Thomas Reichmann) said that mission members are evaluating the performance of the Brazilian economy since March 1990.

(Reichmann) said that the replacement of Zelia Cardoso by Marcilio Marques Moreira will facilitate negotiations between Brazil and the IMF. He stressed that the new economy minister has considerable negotiating experience.

Minister To Maintain Policies

PY1305144891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 May 91

[Text] Economy Minister Marcilio Marques Moreira will continue with the current government monetary and price control policy. That decision by the minister has been reported through a note released by Pedro Luiz Rodriguez, Finance Ministry public relations coordinator [coordenador de comunicacao].

In his note, the minister says that the laws will be enforced against those who violate the agreements reached within the sectorial chambers. He will maintain the long-term structural policies, with their present timetables and objectives.

On the afternoon of 12 May the minister met for more than six hours with Francisco Gros, who has been named president of the Central Bank, although that designation must be approved by the Senate, National Financial Secretary Luiz Fernando Wellisch, BNDES [Social and Economic Development Bank] Chairman Eduardo Modiano, and economists Winston Fritz, Pedro Malan, and Edmar Bacha.

The meeting focused on the Brazilian economy.

On the morning of 12 May, the minister looked for an apartment in Brasilia. He has been living in Washington, where he was Brazilian ambassador to the United States.

According to Rodrigues, the minister will have an office in the Planalto Palace, where he will report twice a week. The names of some of the members of his team are expected to be released today. Rodrigues said that although he met with the economists on 12 May, it does not mean that they will necessarily be designated members of the new economic team, with the exception of

Modiano who has been confirmed as BNDES chairman. Marques Moreira will meet with President Fernando Collor at 1600 today.

France Agrees To Buy 80 Military Training Jets

PY1205024891 Madrid EFE in English 2348 GMT 11 May 91

[Text] Brasilia, May 11 (EFE)—France has agreed to buy 80 military training jets from the state-owned Brazilian Aeronautical Company in a deal worth $176 million, a company spokesman said Saturday [11 May].

The sale of the "Tucano" trainers was clinched during a visit to Brazil last week by the Chief of Staff of the French Air Force Lt. Gen. Jean Fleury. Negotiations on the contract began in 1989 when, in a deal in the opposite direction, Brazil bought 52 military helicopters from a French manufacturer.

The "Tucano" is an export success story for Brazil, which has sold over 600 examples of the aircraft to client states in Europe and the Middle East, as well as Central and South America.

Weapon Smuggling Via Bolivia, Miami Revealed

PY1305141091 Rio de Janeiro O GLOBO in Portuguese 12 May 91 p 10

[Text] Ponta Pora, MS [Mato Grosso do Sul State]—Detective Neylton Matos, a wepons expert of the plainclothes police of Mato Grosso do Sul, has stated that Brazil has not mounted any type of specific operation to fight smuggling.

We know that trafficking in weapons exists. The trafficking is very intensive and starts in Bolivia, where no one controls the entry and exit of weapons. Bolivian police and military personnel are involved in the illegal trade. In that country matters are somewhat confused because the drug cartel controls everything and imposes the rules, Matos said.

He believes that there are other points where arms enter Brazil in addition to the entry points from neighboring countries. During some investigations it was possible to discover that traffickers are bringing weapons through the port of Santos, Viracopos Airport in Campinas, and Rio de Janeiro international airport.

The weapons and ammunition are dispatched from Miami as electronic equipment or other merchandise, accompanied by false bills of lading. According to Alberto Froes, secretary of the OAB [Brazilian Lawyers Association] in Ponta Pora, who for years has followed the problem of smuggling, the weapons traffickers are so well organized that they are able to deceive customs officials and easily retrieve the weapons. It is so well planned that even federal agents are deceived, Froes stressed.

Correction to Collor, Cavaco Comment

PY1105154291

The following correction pertains to the item headlined "Collor, Cavaco Comment," published in the 9 May Latin America DAILY REPORT, page 24, column two. The sourceline should read: Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 May 91...(changing date).

Chile

Minister on Border Incident, Antidrug Struggle

PY1305172091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 13 May 91

[Text] Interior Minister Enrique Krauss has said that the laws requiring amendment to efficiently combat drug trafficking and other crimes linked to this trade will be modified.

The interior minister made this remark at the Air Force Group 10 facilities at the Arturo Merino Benitez International Airport. He went there to see off a Chilean Air Force airplane with aid for the Costa Rican and Panamanian earthquake victims.

Asked about the killing of a Chilean citizen in our national territory by Argentine gendarmes, Krauss said that it was strictly a police incident to which one must not assign any other connotation.

Discussing the discovery of money laundering in our country, the interior minister pointed out that strong actions are being carried out to combat this crime not just in northern and central Chile, but throughout our entire country.

Argentine Envoy Views Incident

PY1405005291 Santiago Radio Chilena Network in Spanish 1700 GMT 13 May 91

[Excerpts] Argentine ambassador to Chile Oscar Spinoza Melo has said emphatically that the incident in a border area near Temuco in which a Chilean farmer was killed by Argentine gendarmes does not represent a border incident, just a criminal incident. The Argentine ambassador pointed out that this situation will not affect ties between Chile and Argentina. [passage omitted]

Ambassador Spinoza expressed his hope that relations between Chile and Argentina will remain as good as they have been up to now. He stated that the Chilean Government can exercise its rights in accordance with current extradition treaties. The Argentine ambassador added that since this matter will be solved by legal means, it will be in the hands of the Zapala judge who will decide on the next measures to be taken. [passage omitted]

In an official communique, the Argentine Government confirmed the killing of a Chilean farmer by an Argentine gendarme. The Argentine Gendarmerie, which is in charge of the border post, has said that it will investigate

the incident and will place the people who may be involved at the disposal of the courts.

In the communique, the Argentine Gendarmerie stressed that the incident will not affect cooperation between the two countries in the border area.

On the incident, the communique stated that two men from Squadron 32 entered Chilean territory on 11 May, reaching a police station 7 km from the border. The objective was to investigate an alleged cattle rustling case. As the patrol was returning, an incident took place involving a Chilean settler in Chilean territory. The Argentines stated that the settler was killed, presumably by one of the gendarmes.

Chilean Foreign Minister Enrique Silva Cimma believes that it is necessary to request the extradition of those who were responsible for the killing of a Chilean farmer last weekend on the Argentine border. The foreign minister said he gave instructions for the courts to intervene in this case although he believes it is strictly a police incident.

[Begin Silva Cimma recording] This is a police incident in which we will act very strongly. I am very pleased to tell you that last night I received an explanation from the Argentine foreign minister, expressly stating that he will provide us with all facilities to resolve this incident. [end recording]

Silva Cimma stated that the incident is clear and merits an extradition request. He pointed out that the Pucon judge will handle this case and he can request a preventive arrest and announce that an extradition will be requested. Silva Cimma pointed out that, fortunately, the two Argentine gendarmes have already been detained. He noted that this incident has nothing to do with the Laguna del Desierto issue and that relations between our country and Argentina are not tense.

Lautaro Youth Conduct Operation in La Granja

PY1305163691 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 13 May 91

[Text] A man identified as Neftali Mate Fredes, 23, who allegedly belongs to the Lautaro Youth Movement, has been placed at the disposal of the San Ramon Carabineros precinct. He reportedly participated in a propaganda action on the night of Saturday [11 May] near the Santa Rosa bus stop No. 25 in La Granja District.

During the propaganda action, unidentified individuals, who disseminated Lautaro Youth Movement pamphlets, threw an explosive device at the La Granja municipality at the intersection of Americo Vespucio and Santa Rosa Streets.

The subversives later carried out an armed propaganda action near the municipality, shooting in the air with automatic weapons. Two Carabineros patrolling the area were attacked by the criminals. The Carabineros later detained Mate Fredes.

Colombia

Peace Adviser on Preparations for Meeting

PA1105133291 Bogota Radio Cadena Nacional in Spanish 1200 GMT 9 May 91

[Telephone interview with Peace Adviser Carlos Eduardo Jaramillo, one of the two government delegates who will participate in the upcoming meeting with the guerrilla representatives in Cravo, Norte, Arauca Intendancy, by unidentified station announcers—live]

[Text] [First announcer] Why was the meeting with the guerrillas in Cravo Norte postponed?

[Jaramillo] Simply because some measures must be adopted to guarantee the smooth development of this meeting. For example, the Venezuelan Government must be consulted regarding the departure of guerrilla representatives; a radio must be installed in the area for us to be in contact with the nation's capital; we must verify the condition of the runway and the location where the meeting will take place.

[Second announcer] Will that require much time?

[Jaramillo] Yes, it will require time, because Cravo Norte is really far away and communications with that area are difficult.

[Second announcer] There have been reports about the demilitarization of the area. What has the Army said about that?

[Jaramillo] It will not be necessary to demilitarize that area, because there is no military base there.

[First announcer] Is there a military presence in the area?

[Jaramillo] No, there is no military presence. As you know, it has been a peaceful sector for a long time, and that was one of the reasons why it was chosen for the meeting.

[Third announcer] What subjects will be discussed at the first preparatory meeting?

[Jaramillo] The entire country knows what subjects will be discussed. The functions assigned to the commission are very clear. It was created to discuss and establish the mechanisms for the first high-level meeting to be held outside the country.

[First announcer] In other words, this will be a preparatory meeting?

[Jaramillo] Yes, it will be a preparatory meeting to select a site and to establish the mechanisms that will permit the guerrillas to travel to the selected place.

[Second announcer] Will the radio to be installed for this preparatory meeting only be used to contact the national government, or will it also be used to contact guerrilla leaders such as Tirofijo [Manuel Marulanda Velez, of the

Revolutionary Armed Forces of Colombia] and ELN Leader Manuel Perez so that they can give their opinion on the proposed sites?

[Jaramillo] As you know, the communique in which they agreed to meet with the government specified that they requested the installation of a radio in order to make the necessary consultations. Therefore, the radio will serve a double purpose, as it will be used by both sides.

[Third announcer] You have just said that you will decide the site to continue the talks abroad. Has it been already decided that [words indistinct]?

[Jaramillo] Well, that is the purpose of the commission. It is the only objective of the meeting. It is stated in the communique in which the government appointed us. In other words, our commission is only authorized to discuss that subjejct.

[First announcer] However some countries have already offered to be the site for talks. For example, Venezuelan President Carlos Andres Perez made an offer yesterday.

[Jaramillo] Yes, we know that there are countries that would have no objection to be the site for this meeting. However, it would have to be the result of an agreement between the sides participating in the talks. The government would then promise to conduct official consultations, because the government has not officially asked any country to be the site for final negotiations.

[First announcer] How long do you think the preparatory talks in Cravo Norte will last?

[Jaramillo] I believe that since the talks will be on a specific subject, the meeting could be over the same day.

[First announcer] Do you mean that it would last less than 24 hours?

[Jaramillo] Yes, the subject to be discussed is very clear and specific. I do not think it should take us too long to agree on a country, on who will represent them at the talks and at what level they want the talks to be held—the government has demanded that the talks with the guerrillas be held at the highest level—and the mechanisms that will enable those persons to travel to the site of the meeting.

[First announcer] Have you decided on the date for the meeting in Cravo Norte?

[Jaramillo] We believe it could be 15 May, which is quite possible. However, we will make the announcement through the media at least two days before the date so that those interested in traveling to that area can make the necessary preparations.

[Third announcer] Has it been decided that the Colombian Government will send a light aircraft or a small plane to Venezuela to transport the guerrillas and then take them back to Caracas?

[Jaramillo] We are working on that. That is quite possible.

Rebels Release Six Kidnapped Policemen

PA1405121191 Bogota Radio Cadena Nacional in Spanish 1200 GMT 13 May 91

[Text] Cali—Three days before the meeting with government representatives in Cravo Norte, the Simon Bolivar National Guerrilla Coordinating Board [CNG] has released six policemen they had been holding since 20 March. According to an official report issued by the authorities in Valle Del Cauca Department, the release took place in La Buitrera, near Palmira.

Policemen Jorge Escobar, Abraham Amur Hurtado, Luis Cristobal Forero and Jose Camacho Villamil, who had been kidnapped on 27 February, were turned over to the Valle Regional Peace Commission. Carlos Marlens Gaitan and Benjamin Herrera, who had been held since 18 March, were also released.

Upon releasing the policemen, the CNG voiced its determination once again to complete this first contact toward peace talks, to be held in Cravo Norte on 15 May.

Labor Union Leaders Present Demands to Gaviria

PA1405032191 Bogota Radio Cadena Nacional in Spanish 1223 GMT 11 May 91

[Text] Bogota—President Cesar Gaviria has said that drug trafficking is responsible for the death of several labor union leaders. He admitted that certain businesses hire paramilitary groups to frighten workers and prevent them from making demands.

This statement was made by Luis Anderson, secretary general of the Inter-American Organization of Workers, who—along with (Enzo Frisso), secretary general of the International Confederation of Free Labor Organizations; (Apechives Alvis), president of the CTC [Confederation of Colombian Workers]; and Jorge Carrillo Rojas from the CUT [The United Workers Federation]—met with President Cesar Gaviria at Narino Palace.

The leaders asked the president to take greater measures to prevent the death of workers; to suspend sanctions against those who participated in the 14 November strike, especially the 100 state employees who were dismissed; and to take other measures.

'At Least' 800 Landowners Remain Kidnapped

PA1405032391 Madrid EFE in Spanish 1745 GMT 13 May 91

[Text] Bogota, 13 May (EFE)—At least 800 Colombian landowners continue to be held hostage by guerrilla groups or criminal gangs, Carlos Gustavo Cano, Association of Colombia Farmers (SAC) president stated today.

Cano noted that it is difficult to establish the exact number of kidnapped persons as the relatives of the victims hardly ever report the cases to the authorities in order to protect the hostages.

"Kidnapping is a crime that continues to be committed, while immoral public conduct and the state's total neglect of the underprivileged are making the citizens lose faith in the public institutions," the SAC president stated.

The business leader labelled as "alarming" the widespread practice of the "tax" or "protection money" that the criminals charge the farmers in exchange for not kidnapping them.

The SAC president added: "The state must reestablish its presence in the areas that are remote and forgotten. The government must go to the countryside where it is most needed, where there is more violence, and where we Colombians have less institutional influence.

Oil Official Praises Agreement With Venezuela

PA1305173391 Bogota Emisoras Caracol Network in Spanish 1200 GMT 12 May 91

[Text] Bogota—The substitution of imports, technological independence, and sectorial industrial development are a few of the basic goals of the new oil agreement signed by Colombia and Venezuela.

Jorge Bendeck Olivella, Ecopetrol's [Colombian Petroleum Enterprise] vice president for exploration and production, has underscored the importance of the agreement—which was signed last week in Bogota by Presidents Cesar Gaviria Trujillo and Carlos Andres Perez—pointing out that it confirms the excellent relations that currently exist between the two countries.

Bendeck Olivella also said that many projects will be developed through the agreement—in addition to the exploration and exploitation of hydrocarbons—such as oil refinement, technological exchange, industrial development, and especially the production of spare parts and raw material for the hydrocarbon industries in Colombia and Venezuela.

It is definitely an agreement that will prove very positive for the Colombian Institute of Petroleum and the country in general, stressed engineer Bendeck Olivella, who created the institute.

Occidental Petroleum Official Sanchez Kidnapped

PA1305191891 Bogota Radio Cadena Nacional in Spanish 1200 GMT 13 May 91

[Text] Bogota—Authorities have no trace of the whereabouts of Angela Sanchez, official of Occidental Petroleum who was kidnapped in the past few hours on the road leading to Cano Limon.

According to the Army and police, the incident occured when the Occidental official was traveling near Arauquita in a privately owned jeep. The police reported that two hooded men intercepted the vehicle and kidnapped Angela Sanchez. Neither her whereabouts nor the identity of her captors is yet known.

The police and Army are implementing a large-scale operation in an attempt to find the Occidental official.

Paraguay

Uruguayan President Lacalle Arrives 13 May

PY1305152291 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1359 GMT 13 May 91

[Excerpt] [passage omitted] Uruguayan President Luis Alberto Lacalle is approaching Gate 4 where cameras of Sistema Nacional de Television are waiting.

We can see President Lacalle Herrera and President Andres Rodriguez walking along the red carpet. They will take their positions prior to the welcoming ceremony.

The national anthems of the two countries will now be played. [passage omitted]

Government Announces National Development Plan

PY1405023291 Asuncion ABC COLOR in Spanish 12 May 91 pp 4, 5

[Text] The national government has announced an ambitious development plan for the country "within a framework of stability" that could become a springboard for straightening out our economy in the remaining two years of the Andres Rodriguez administration.

This week the Finance Ministry and the Central Bank released a 19-page document entitled "Guidelines for a National Development Policy," which covers the next two years. The document shows the intention of government officials to responsibly plan the immediate future after carrying out self-criticism of the current economic situation, which—based on government figures—is not very encouraging.

The new economic plan to be implemented by the government recognizes the vulnerability of the Paraguayan economy, which depends a great deal on the primary agricultural sector. It also recognizes the existence of a high level of unemployment and underemployment, high price increases, a deterioration in investments, problems in encouraging savings, and the growing deficit of public companies.

The document discloses that the gross domestic product has declined, the agricultural sector has deteriorated, the balance of payments has been negative for the last two years, and the public sector's fiscal situation is responsible for the moratorium on the foreign debt.

In light of this situation, the national government proposes to increase domestic savings, investments, and jobs over the next two years. The government also plans to encourage growth by taking advantage of current economic potential, with the aim of reaching as many people as possible, and to continue with the domestic and regional integration process.

What are the economic officials trying to achieve with the guidelines? They are trying to achieve an ambitious goal of growth and investment.

The project is aimed at reaching a 6-percent growth rate in 1993 through investments and the reduction of inflation to 10 percent. This will be achieved with savings obtained from taxes, domestic savings, and the freeing of resources as a result of foreign debt renegotiation.

The project does not discard some government credits to the private sector and the circulation of money compatible with expected real growth.

Economic officials have asked all economic and social sectors "for their creative effort" to take advantage of large resources to fulfill the proposed goals.

Even though economic officials advocate a policy to aid economic agents in a competitive market, they clarified that the state will continue to carry out activities "that, because of their nature or economic function, are considered strategic." This condition probably shows a mentality that has not yet overcome the belief that the state has rights over goods identified by the government as strategic.

This is a summary of the government's economic policy in the following areas: fiscal, monetary and credit, agrarian, industrial, export promotion, prices and salaries, foreign debt, international cooperation, investment promotion, social, and transportation and energy.

1. Fiscal: Help taxpayers fulfill their obligations. Tax reform. Expand tax collection. Make taxes more flexible. A balanced distribution of taxes. Enforcement of tax obligations.

This point includes a process for rational use of public expenditures to strengthen investments in the areas of transportation, communications, agrarian reform, health, and education.

2. Monetary and Credit: Establishment of a free, fluctuating exchange system without interfering with the basic tendencies of the market; improve financial participation through interest rates fixed by the market; gradual reduction of the dependency of banks on loans provided by the Central Bank; liquidity of the economy through monetary control; solvency of the financial system through control measures; ceilings on the Central Bank's quarterly and annual net credits for the public sector; medium- and long-range financing for production activities; a review of the minimum legal reserve required by banks and compulsory deposits; control of inflation.

3. Agrarian: Program for settling peasants, peasant organization, diversification of production; stimulation of small agroindustries; preferential credit for small agricultural and livestock production.

4. Industrial: Expansion of investment credit for new production units or modernization of current units; industrial parks; strengthen the INTN [National Institute of Technology and Standards] for the modernization of industry; provide incentives to create cooperatives.

5. Export Promotion: Help the private sector gain access to international markets; provide diplomatic services abroad with the capability to promote sales of goods and services; adjust production to market demands; promote the creation of binational and multinational companies to produce goods for export; promote investment in companies that produce goods for export; take advantage of Mercosur [Common Market of the South]; adjustments in monetary, exchange, and credit policies; attract national and foreign investments; gradual adjustment to the Mercosur tariff system.

6. Prices and Salaries: Control inflation.

7. Foreign Debt: Renegotiate debt; adjust future indebtedness to priority objectives defined in the national development policy.

8. International Cooperation: A high priority is channeling resources to finance development projects.

9. Investment Promotion: Guarantees for investors; incentives for genuine investments; development of an information system to attract capital for the export sector.

10. Social: Housing construction; public health and educational programs; government social action through Diben [Charity and Social Assistance Directorate].

11. Transportation and Energy: Provide an infrastructure of trucks for production; participation of the private sector through concessions for collecting road tolls. Electric energy area: participation of the private sector in rural electrification.

Peru

Interior Minister Discusses Shining Path

PY1105030291 Lima LA REPUBLICA in Spanish 5 May 91 Sunday Supplement pp 10-12

["Exclusive" interview with Interior Minister General Victor Malca Villanueva by LA REPUBLICA reporter Mariella Balbi; place and date not given]

[Excerpts] [Balbi] General Malca, just after you were sworn in a blackout left part of Peru without electricity. We are currently experiencing an escalation of violence. You have asserted, however, that terrorism has been backed up against the wall. Why?

[Malca] The blackout occurred four days after I took office. I made that assertion for several reasons. Our intelligence services have been unified. As a result, we are somehow getting to the umbilical cord of the Shining Path. Faced with this pressure, the lower commands of the Shining Path seem to be unleashing these diversionary attacks in Lima to draw our attention away from their umbilical cord. [passage omitted]

[Balbi] How would you assess this recent subversive outbreak?

[Malca] We in the government have analyzed it and reached the conclusion that the Shining Path wants to draw our attention to the lower commands. As I said, we cannot let down our guard; the Shining Path's objective is to divert our attention. It also wants to emphasize its presence, particularly in urban areas.

[Balbi] General, for the past 20 days the subversives have been killing policemen and barging into markets and public places...

[Malca] They want to make their presence felt in urban areas by walking into radio stations and schools. These actions are part of their strategy, which we have analyzed. To neutralize these kinds of acts would require not our full police force of 85,000 but one of 500,000. [passage omitted]

[Balbi] And will intelligence work be stepped up?

[Malca] We have intelligence, but its work has to be intensified. We are doing so. Fortunately, the government understands this and is providing the economic means for our intelligence work. This will allow us to obtain precise information that will guarantee the success of our operations. [passage omitted]

[Balbi] The government and you maintain that the antisubversive strategy is aimed at striking the Shining Path's leadership. Do you believe this strategy has been successful?

[Malca] It seems it will yield the desired results. We are doing all we can to reach the Shining Path commands. God willing, we hope we can make their names known soon.

[Balbi] When the video showing Guzman dancing was shown, the impression was that subversion had been hard hit. Only one person, however, was taken into custody: Nelly Evans.

[Malca] The court released the others because it believed there was a lack of evidence to arrest and try them. Under the new strategy, we will have to find irrefutable evidence... [passage omitted]

[Balbi] What will you do about the low salaries paid to the National Police?

[Malca] This is one of the most important questions. The government gave them a bonus last month and there will be another this month. The government is studying ways to grant a bonus to retired personnel also. [passage omitted]

[Balbi] Besides the bonus, is there a possibility of a salary increase?

[Malca] The bonus will apparently be incorporated into the base salary in May. Let's hope there will be more benefits. As you can see, we are optimistic.

[Balbi] Economic problems breed corruption within the National Police. What is your opinion?

[Malca] The bad elements have used the economic problems as an excuse. Men of good character are not corruptible. We would like the people to cooperate in the struggle against corruption.

[Balbi] How pervasive is corruption in the National Police?

[Malca] I cannot quantify it, but, like any citizen, I can imagine. This is a matter of concern. I never thought this could happen in Peru. When I was in Brazil in 1970, I saw that the police there had this kind of problem. I said at the time: This does not happen in my country. And now look.

[Balbi] Can you do something?

[Malca] Certainly. Last year 1,500 members of the National Police were discharged, many for unethical acts. So far this year 400 have been discharged... [passage omitted]

[Balbi] What role will the police play when the antidrug agreement [with the United States] is signed?

[Malca] This will have to be defined later because the agreement is not that specific; it is written in general terms. It seems to me that the agreement might be signed next week. I am not familiar with the agreement...

[Balbi] Haven't you read it?

[Malca] No.

[Balbi] You should read it, don't you think?

[Malca] Of course I should, and I will at the proper time. This should be determined by the president.

[Balbi] Do you believe the Army should participate in the fight against drugs?

[Malca] The law has to be modified. When drug trafficking and terrorism get together though, the Army will have to participate indirectly. This issue should be studied, and quickly, because drug trafficking is eating away at us.

[Balbi] Two U.S. battalions [as published] are advising the Armed Forces in Bolivia. Will Peru follow this route?

[Malca] I am not very familiar with the Bolivian situation. When countries provide help they do it by teaching cadres of instructors. This can be done in the country receiving the aid or by sending personnel to the country offering the help. We have U.S. advisers in our military schools and we have exchange programs with the United States.

[Balbi] The Shining Path may have an ally in Bolivia: the Zarate Wilka group. Do you have any information on this?

[Malca] There are some links. That group apparently helped with the assassination of Commander Vega Llona.

We are too close to Bolivia; we have the same problems, with the same origins. The alliance is very likely. A connection has been uncovered with a movement in Ecuador: Alfaro Lives, Damnit. Excuse the language...

[Balbi] Do not worry, that word is in the dictionary...

[Malca] That is the name of the group. They have said that they laid down their arms, but a splinter group seems to be linked with the Shining Path and operating in Sierra de Piura, around Huancabamba. This is a small movement. We also have lookout posts on the border.

[Balbi] What are the benefits of having officers on active service serve as interior minister?

[Malca] That is a presidential decision and it has also been the case under other governments. I believe it is beneficial because we know something about how the police should operate. Military officers can bring their experience to help the National Police. I do not mean the police organization is bad. We are just here to cooperate and improve. [passage omitted]

Torres on Restructuring Intelligence System

PY1005173091 Lima EL COMERCIO in Spanish 30 Apr 91 p A-4

[Text] Defense Minister Jorge Torres Aciego yesterday said that despite the economic problems currently affecting Peru, the intelligence and operations systems are being restructured to successfully combat subversive groups.

He said: "The Armed Forces and the national police are staunchly united and working to restore peace and order in Peru."

Torres Aciego explained that since it assumed power, the current administration has taken firm steps in this direction, adding that this does not mean subversion has been defeated. He described the terrorist actions perpetrated by the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] as desperate acts that seek to attract national attention.

The defense minister demanded the support of the entire media to combat subversion. He said: "We must identify terror subversives."

Torres Aciego talked to journalists when he left Congress where, in his capacity as acting prime minister, he briefed the constitutional committee on the draft bill through which the executive branch requests especial powers to pass laws in four areas that are essential to achieve peace and national development.

Torres Aciego said: "We are requesting special powers to achieve the pacification of the country, to promote employment, investments, and the restructure of the state apparatus."

The defense minister expressed his hope that Congress will approve this urgent request by the executive branch. He said: "I believe all of us are interested in achieving the pacification of the country and in safeguarding the defense of the nation."

Torres Aciego explained that the special powers needed to issue the new measures with which to achieve the pacification of the country have to do with the national intelligence system, "which must be reorganized."

He said that the intelligence system, and all pertinent laws, must be modernized. He added: "They were designed to be enforced under normal circumstances, but the situation is now different. We are waging a war, a domestic war which we must fight with new laws."

Torres Aciego reported that the government has requested a 180-day deadline to enforce these new laws through the promulgation of decrees.

He added: "It will be up to Congress to establish this deadline."

Opposition to Peasant Defense Patrols Noted

PY1105203091 Madrid EFE in Spanish 1630 GMT 11 May 91

[Text] Lima, 11 May (EFE)—Several Peruvian political and military sectors continue to oppose the government's decision to arm the civilian militias known as the "Peasant Defense Patrols" to face the Shining Path terrorist gangs.

In Junin Department, the main food production center for Lima, Peasant Defense Patrols received shotguns and cars from the Army, although the Shining Path has done everything possible to prevent the delivery of weapons.

Junin is also the site of the Mantaro River hydroelectric dam, which supplies electricity to Lima and many other areas. The dam is also the key to an electricity network that is frequently sabotaged.

The government has so far armed 450 peasants from 41 communities in the Mantaro River Valley during the first days of April. It plans to arm 175 more communities, while 120 Peasant Defense Patrols are being organized in the jungle areas of Junin Department.

General Luis Perez, political and military chief of the Mantaro region, has reported that President Alberto Fujimori will himself deliver the weapons in the second stage of the campaign to arm the peasants.

The city of Comas, where the first weapons were delivered to the Peasant Defense Patrols, has turned into a base for the civilian militias and access is difficult due to the many control posts that have been set up in the area.

Since the plan to deliver weapons to the militias was announced, several political sectors have expressed their concerns over this policy because they worry that the civilian militias will become paramilitary groups.

The Catholic Church of Huancayo, capital of Junin Department, 415 km from Lima, also expressed its concerns on the issue and stated that it would have been better to give tractors to the peasants. The social action committee of the Huancayo Archdiocese, headed by Angel Acuna, stated: "The murderous violence of terrorism cannot be answered with more bloodshed. What is the purpose of arming the peasants? Do we want to turn them into cannon fodder for the terrorists?" Acuna added.

Juan Baquerizo, former president of the Huancayo Interests Defense Front, said the Peasant Defense Patrols were formed in Junin because of military pressure and "they therefore did not originate with the people's initiative."

Military men from the last military regime (1968-1980), including retired General Sinesio Jarama, also oppose arming civilians. The delivery of weapons is not "appropriate" because "it does not follow a strategy to solve the problems of these communities," Jarama said.

The Shining Path terrorists are now using all their might to attack the Peasant Defense Patrols to scare them. An example of this took place on 9 April when a column of 200 terrorists attacked the town of Acosvinchos in Ayacucho Department and killed 20 peasant patrol members, raped their wives, and stole their harvest and cattle. Similar attacks have taken place in other places due to the threat the Peasant Defense Patrols represent to the Shining Path.

The Peasant Defense Patrols were first created in 1976 in northern Cajamarca Department to fight cattle thieves, but five years ago they began to take part in the political war in Peru.

The remote origin of these groups can be traced to the "minka" institution which existed under Inca emperors. The "minka" system involved calling on the people to undertake a task of collective interest.

Human Rights Figure Murdered by 'Activists'

PY1305182491 Madrid EFE in Spanish 1805 GMT 13 May 91

[Text] Lima, 13 May (EFE)—Porfirio Suni Quispe, the regional president of the human rights commission in the Peruvian Department of Puno, was murdered today by alleged activists of the Shining Path Maoist gang in the locality of Julianca, Puno Department.

Suni Quispe was about to travel to Puno, the capital of the department, with a report on the human rights situation in the area when he was shot four times in the head.

The church and the campesino organizations of the department of Puno in the southern part Of Peru, where it borders with Bolivia, have condemned the murder.